Austria	Sch. 15	Indonesia	Rp 1800	Philippines	Pes 20
Bahrain	Din 0.650	Italy	L 1100	Portugal	Esc 65
Belgium	BFr 35	Japan	Y550	S. Arabia	Rls 6.00
Canada	C$2.50	Jordan	Fils 500	Singapore	S$ 4.10
Denmark	DKr 7.00	Kuwait	Fils 500	Spain	Pts 95
Egypt	E£1.00	Lebanon	L£ 6.00	Sweden	SKr 6.50
Finland	Fmk 5.90	Luxembourg	LFr 35	Switzerland	SwFr 2
France	FFr 5.00	Malaysia	Rm 4.25	Tunisia	Din 0.500
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 130
Greece	Dr 55	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
India	Rup. 15	Norway	NKr 6.00	U.S.A.	$1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 28,965 — Wednesday January 5 1983 — D 8523 B

Britain's 10 years in the European Community, Page 12

NEWS SUMMARY

GENERAL

Danish trawler enters UK zone

In pitch darkness last night British fishery protection vessel Vigilant intercepted Danish trawler Kean Nevoldsen within the newly declared UK 12-mile zone.

The Danish skipper said he was doing industrial fishing. The captain of the Vigilant said he had no reason to suspect there was any contravention of legislation. With winds of 35 mph (56 kph) and a heavy swell, he had no intention of boarding any Danish ships.

Denmark's fishermen, who have planned a confrontation over fishing rights, argue that after a 10-year agreement ended on December 31, all EEC waters are available to all members. Page 14

Warsaw Pact talks

Soviet leader Yuri Andropov was expected to explain his nuclear arms control plans to the Soviet Union's Warsaw Pact allies in their first summit meeting for two years, which opened in Prague. Page 14

Pym for Qatar

British Foreign Minister Francis Pym is to visit Qatar next week, which means that only Saudi Arabia has openly rebuffed Britain for not raising the level of its dealings with the Palestine Liberation Organisation. Page 14

Ship damaged

U.S. Navy's nuclear-powered cruiser Arkansas reached Naples with a 10ft gash in its hull after a Straits of Messina collision with a small Italian tanker.

Iraq seeks arms aid

Iraq deputy Premier Tarek Aziz is in Paris seeking cash aid to buy more French arms. Page 7

Israel accuses Syria

Israel accused Syria of building two sites suitable for a large Soviet missile not yet deployed in the Middle East. Page 6

Beirut hearings over

Israel's commission inquiring into the Phalangist massacre in Beirut, received 12,000 pages of Israeli government documents. The commission's hearings have ended.

Zimbabwe searches

Zimbabwe police held up traffic travelling into South Africa, searching for saboteurs of a main power line from the Kariba dam. Page 6

French TV head quits

Maurice Remy, chairman of Télédiffusion de France, resigned after the absence of a mobile crane prevented a New Year TV broadcast by President François Mitterrand.

Italian doctors strike

About 60,000 Italian hospital doctors and technicians began a four-day pay strike.

Ioannides withdraws

Independent candidate George Ioannides withdrew from Cyprus's presidential elections, following his failure to unite Greek Cypriot politicians.

Briefly . . .

Czech ambassador to West Germany Jiri Goetz is in hospital in Bonn with serious injuries after car crash in which his wife was killed.

Iran ended petrol rationing after 28 months.

British first-class letter post goes up 1p to 16½p (27c) on April 5.

Mass graves of 10,000 Khmer Rouge victims have been found in Kampuchea, says the government.

King Juan Carlos of Spain broke his pelvis skiing at Gstaad, Switzerland.

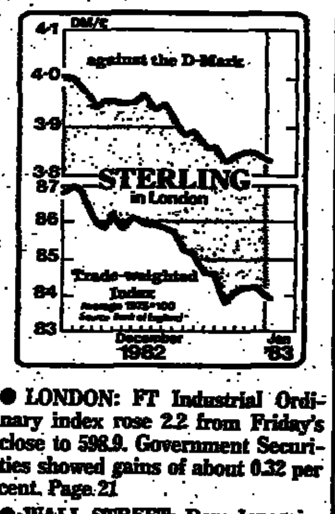
BUSINESS

Dollar hits lows against yen, DM

● DOLLAR fell from Y234.8 to Y229.15, an 11-month low, and from DM 2.3775 to DM 2.361, lowest since last June. It also dropped to FFr 6.691 (from FFr 6.735) and SwFr 1.985 (SwFr 2.0075). Its Bank of England trade-weighted index fell from Friday's 118.5 to 117.2. Page 20

● STERLING rose 70 points to $1.6245, but fell to DM 3.835 (DM 3.845), FFr 10.86875 (FFr 10.885), SwFr 3.225 (SwFr 3.245) and Y372.25 (Y380). Its trade weighting fell from Friday's 84.3 to 83.8. Page 20

● GOLD rose $1.5 in London, to $449.5, its Frankfurt closing price. In Zurich it closed at $450.5. Page 19



● LONDON: FT Industrial Ordinary index rose 2.2 from Friday's close to 598.9. Government Securities showed gains of about 0.32 per cent. Page 21

● WALL STREET: Dow Jones index closed up 19.04 at 1,046.08. Page 20

● TOKYO: Nikkei Dow index edged up 4.73 to 8,021.4, but the Stock Exchange index slipped 1.08 to 592.84. Page 20

● HONG KONG: Hang Seng index fell 4.35 to 761.61. Page 20

● FRANKFURT: Commerzbank index eased by 1.3 to 771.9. Page 20

● PORTUGAL has approached the IMF about a new standby loan. Page 2

● ICELAND devalued its krona by 9 per cent.

● GHANA has brought in measures to increase state control of the economy, especially over foreign banks and insurance companies. Page 6

● SWISS National Bank foreign currency reserves reached an end-of-year record of SwFr 31.87bn. Page 2

● UNITED STATES is to buy another 1m tonnes of Jamaican bauxite for its strategic stockpile.

● MOBIL, the U.S. oil company, has withdrawn from oil exploration and production in Libya and will take the Tripoli Government to arbitration to recover damages it claims to have suffered in the country. Page 14

● EASTMAN KODAK, the U.S. photography group, announced that early retirement was available for most of its 93,000 staff. Page 15

● UDDEHOLM, the Swedish special steels group, is selling six hydro-electric plants for about SKr 700m ($96.5m) to help cover expected record losses. Page 15

● SIDBEC, Quebec government-owned steelmaker, expects to lose C$150m ($121m) in 1982.

● FEDERAL LEASING, the U.S. computer group, this week opens its case claiming up to $550m compensation and damages from Lloyd's of London underwriters. Page 8

● TOTAL, France's leading oil group, has become the country's second largest company in uranium mining after two end-of-year purchases. Page 15

● ANDERSON STRATHCLYDE, Scottish-based maker of mining equipment, plans to pay $32.2m for a controlling share in National Mine Service of the U.S. Page 14

PRESIDENT TO PRESS AHEAD WITH DEFENCE SPENDING

Reagan faces fight in Congress over $30bn social cuts

BY ANATOLE KALETSKY IN WASHINGTON

President Ronald Reagan appears to have set himself on a collision course with the newly elected U.S. Congress with a set of budget decisions, leaked over the past few days by Administration officials.

The President, apparently, has tentatively decided to seek further large cuts, totalling $30bn, in domestic social spending while leaving his plans for a defence build-up largely intact.

In choosing these priorities for his 1984 budget, which will be presented to Congress on January 31, President Reagan has ignored the advice of congressional leaders from his own Republican Party.

They have repeatedly warned that after last November's election setbacks for Republicans, Congress would probably reject further social cuts, particularly if they were unmatched by reductions in military spending and higher taxes so as to produce dramatic reductions in the budget deficit.

The deficit for 1984 is put in the $175bn to $200bn range, even after the planned social spending cuts.

Congressional Republicans, meanwhile, have been sounding extremely conciliatory tones to the Democratic leadership, stressing the need for compromise and bipartisan unity in facing the nation's economic problems.

White House officials, many of whom share the congressional Republicans' misgivings about President Reagan's strategy, are saying that none of the budget figures leaked so far is final and that many of the detailed decisions on spending cuts are yet to be taken.

It is also possible that the President may yet reject the relatively pessimistic economic forecasts recommended by his senior economic advisers, which project a year-on-year growth rate of only 2 per cent between 1983 and 1982.

A higher growth assumption could sharply reduce the deficit projection and the President is said to have been angry about the premature leaking of the 2 per cent growth forecast.

According to some officials, the forecast was deliberately gloomy in order to put additional pressure on the White House and Congress to come up with spending cuts and tax increases to reduce deficits.

Senator Paul Laxalt, the President's staunchest supporter and closest personal friend on Capitol Hill, said yesterday that the preliminary deficit figures were "probably intolerable" and warned that the budget was already "very near the bone in a number of social programmes."

He said, however, that the President seemed rigidly opposed to cuts in the defence build-up. The fact that even Sen Laxalt seems unconvinced by the President's strategy, which was presented to senior congressional Republicans at a White House breakfast meeting yesterday, raises the threat that last year's budget deadlock between the President and Congress may be repeated.

Democratic Congressmen who arrived in Washington on Monday for the opening of the new congressional session have started preparing immediately for the impending battles over economic policy.

In a series of primarily procedural meetings at the House of Representatives, where the Democrats added 26 seats to their majority, the party's leaders pledged themselves vociferously to opposing Reaganomics. They passed a technical rule change which will make it harder for the congressional minority to block the majority's decisions on appropriations and threw one of President Reagan's most prominent Democratic supporters, Representative Phil Gramm, off the crucial Budget Committee.

Sweden in $1bn record Eurobond

By Alan Friedman in London

SWEDEN is raising $1bn through a 10-year floating rate note, the largest ever Eurobond issue.

The issue tops a $750m fixed-interest Eurobond for Canada last year. It is also a record floating rate Euronote, exceeding a $650m issue, also for Sweden, last February.

The Swedish issue, which pays noteholders interest at ¼ per cent above the London interbank offered rate (Libor), will constitute a major portion of Sweden's 1983 borrowing requirement abroad, expected to total between $2bn and $3bn.

Sweden has a total outstanding foreign debt of around $13bn and this is likely to rise to at least $15bn by year-end.

A senior Swedish government official said last night that the floating rate note route was chosen "because we thought there was an appetite in the market and there seemed to be a fair bit of uncertainty in the international syndicated loan market."

The use of the bond market appears to confirm what many analysts and bankers have been predicting – that as strains on the global banking system bring about a contraction in syndicated lending, sovereign borrowers will turn increasingly this year to bond markets.

Credit Suisse First Boston (CSFB), which is lead-managing the issue, said yesterday that it had been designed to attract

Continued on Page 14

Eurobonds, Page 16

Paris to back EEC on trade with Japan

BY JOHN WYLES IN BRUSSELS

M MICHEL JOBERT, France's Minister for Foreign Trade, yesterday promised the European Commission that France would not seek any bilateral deals with Tokyo to limit Japanese imports.

He withheld, however, any undertaking to lift France's controversial customs restrictions on imports of video tape recorders or to abandon new language rules which affect all imports.

The Minister had hastily scheduled talks in Brussels with M Gaston Thorn, the Commission President, and with Viscomte Etienne Davignon, the Industry Commissioner. The discussions were to prepare for talks in Paris today with Mr Shintaro Abe, the Japanese Foreign Minister, and to try to avert a worsening in the French administration's relations with Brussels.

M Jobert's decision to seek a personal briefing on the outcome of Mr Abe's talks at the Commission on Monday is a measure of the importance Paris is attaching to the Foreign Minister's visit. Mr Abe will meet with President François Mitterrand tomorrow.

During the course of yesterday's discussions, M Jobert apparently offered undertakings that France would not undermine the common front which the EEC is trying to create against Tokyo over the issue of Japanese penetration of European markets.

"I will let the Commission take care of the negotiations, I trust them," M Jobert said after the meetings.

The French minister made it clear that Mr Abe would face some tough talking in Paris on the need to restrain Japanese exports to France and the EEC and to open up the internal Japanese market to a much greater volume of manufactured imports. M Jobert added that Japan's recent package of tariff reductions was "not significant" for France.

M Jobert had little comfort to offer the Commission about the future of his country's import restrictions. France was warned two weeks ago that it would face action at the European Court unless it lifted the requirement that all imports of video tape recorders must be routed through customs at Poitiers and that all general import documentation must be in the French language.

The Commission is likely to be divided on what to do next. Some members favour trying to work out a compromise with Paris. It would leave the restrictions in place as a curb on third country imports, provided that they do not affect intra-community trade. Herr Karl-Heinz Narjes, the Commissioner responsible for the internal market, may argue that this is impractical and undesirable and that the letter of Community law must be upheld.

France's restrictions on video tape recorders are almost entirely aimed at Japan because units made in the EEC account for only about 5 per cent of its total imports.

Japanese Minister in London talks, Page 14

Plessey to buy stake in Scientific-Atlanta

BY JASON CRISP IN LONDON AND RICHARD LAMBERT IN NEW YORK

PLESSEY, the UK telecommunications and defence electronics group, plans to take a substantial stake – up to 30 per cent – in Scientific-Atlanta, one of the leading U.S. suppliers of satellite earth stations and cable television equipment.

Sir John Clark, chairman and chief executive of Plessey, announced yesterday that the company intended to acquire 3m shares in Scientific-Atlanta representing 13 per cent of the company. Yesterday shares were traded around $16 to $17.

Plessey also has an 18-month option to purchase a further 4.3m shares of unissued common stock at $26.50 a share. During the period Plessey has agreed not to purchase more than 30 per cent of Scientific-Atlanta's voting securities.

Plessey has also agreed not to take any action during the 18-month period relating to a merger or acquisition involving Scientific-Atlanta without the approval of the U.S. company's board. For a further three years it would not propose an acquisition without an investment banking firm agreeing the proposals were fair to Scientific-Atlanta's shareholders.

The two companies have also signed agreements to exploit international markets for satellite and cable television communications equipment.

A joint venture is to be established in the UK with an initial capital of £650,000 ($1.05m) which will be 51 per cent owned by Plessey. The venture will compete in cable television and satellite communications markets in Europe.

Initially the joint venture will import most of its products from Scientific-Atlanta in the U.S. Eventually it will manufacture products under licence. It will also develop new products such as equipment used in the so-called "switched star" cable television networks based on Plessey's telecommunications expertise.

The agreement will also give Scientific-Atlanta access to a number of Plessey's technologies, including fibre optics, solid-state electronics and communications system design.

Communications accounts for about 65 per cent of Scientific-Atlanta's sales which amounted to $337m in the year ending June 1982. The group has a leading position in satellite communications and cable television and expects major benefits from the general integration of the two communications media.

Scientific-Atlanta had a record growth through the 1970s – sales rose from $25m in 1972 to $337m last year but in the last 15 months the shares have fallen out of favour in Wall Street. Having traded at over $30 in 1981, they slumped to a low point of little more than $10 before rallying to a recent price of about $16.

The group hit major problems with one of its products, a 54-channel cable television terminal, which was withdraws last year after serious design and manufacturing problems, brought substantial losses.

Lex, Page 14

Troubled Korf steel group calls on Bonn for financial support

BY STEWART FLEMING IN FRANKFURT

KORF STAHL, the West German steel manufacturing group controlled by Herr Willy Korf, one of the country's best-known entrepreneurs, conceded yesterday that it had run into financial problems and was seeking support from the Federal Government in Bonn.

In a formal press announcement, the company said: "The companies of the Korf group, like other companies in the sector, have been hard hit by the crisis in the steel industry, caused by the distortions in competition.

"Although a basis for a new group corporate strategy can be presented, the Federal Government has so far refused to provide the aid to which the Korf group has a claim under the principle of equal treatment," Korf added.

The statement follows mounting speculation in the past two weeks about the group's financial health, and reports that Herr Korf has asked the Kuwait Government, which controls 30 per cent of the shares in his West German and U.S. operations, for financial aid.

Herr Korf ranks as one of West Germany's outstanding private entrepreneurs. He built up his substantial steel operations in the post-war period, in spite of fierce competition, and, particularly in recent years, the growing structural problems of the European steel industry.

In the past two years, however, there has been mounting evidence that his concept of specialised production from relatively small and flexible steel plants was no longer sufficient to insulate the group, which has 3,400 employees, from the industry's problems.

In 1980, the group reported a profit of almost DM 26m ($10.9m). But, in 1981 it slumped into losses of DM 34m on sales revenues of DM 1.3bn.

Continued on Page 14

German jobless rises to 9.1%

BY OUR FRANKFURT CORRESPONDENT

UNEMPLOYMENT in West Germany surged again in December, rising by 185,000 to 2.23m, or 9.1 per cent of the workforce.

Herr Josef Stingl, president of the Federal Labour Office, said that a sharper increase was prevented only by unusually mild weather. In the building industry, the seasonal rise in unemployment in December was the smallest since 1964.

It is widely expected however that in January and February further sharp rises in the jobless total will be announced. The figures are likely to be seized upon by the Social Democratic Party to attack the right-of-centre coalition Government headed by Chancellor Helmut Kohl in the run-up to the general election expected on March 6.

The Government's sensitivity on the rising unemployment issue was underlined on Monday when Herr Norbert Blüm, the Labour Minister, turned on employers, criticising them for lacking the courage to invest and create new jobs.

Herr Blüm's critique is seen as an effort to woo trade union voters and to try to undo some of the damage he caused by precipitiously calling for a wage freeze when the Government took office in October of last year.

For 1982 as a whole, unemployment averaged 1.83m (7.5 per cent), a 44 per cent increase over the 1981 level (5.5 per cent) and the steepest rise in any European country.

The deterioration in the labour market was much worse than had been expected. Early last year, unemployment was expected to average around 1.5m, reflecting the deepening economic downturn and the continued growth in the labour force. For the current year, official forecasts suggest that unemployment will average around 2.35m.

But there are growing fears that once again the forecasters are underestimating the risk that the anticipated upturn in the economy in the second half of the year will be too weak to prevent a further rise in unemployment in November and December.

One striking feature of the figures for the year is that unemployment has hit blue-collar workers much more severely than office workers. For industrial workers, unemployment averaged 10.5 per cent, whereas the rate was only 4.6 per cent for white collar employees.

CONTENTS

The Netherlands is facing a hectic struggle to live within its means, reports **Walter Ellis** in Amsterdam

Dutch Government finds little time to take a honeymoon

SUCH WAS the pace of events in the Netherlands in 1982 that the new centre-right government of Mr Ruud Lubbers has had no time to take a honeymoon. It was business as usual from its first day in office on November 11 and both partners in the coalition, Christian Democrats and Liberals, have been working hard ever since.

The latest austerity programme had to be completed and approved almost at once so that the finance ministry could begin preparations for next year's tax schedules. The Labour-led opposition, backed by the trade unions, was at the same time in no mood to grant easy passage to its rivals.

Mr Ed Nijpels, the Liberal leader, had apparently gone out of his way to discredit Labour during post-election negotiations to form a new government. Now that the talks were done, Mr Joop Den Uyl, leader of the opposition, was ready to repay Mr Nijpels in his own coin.

The new government, formed after a mere 57 days—compared with the 108 occupied by talks the last time round—followed the general election of September 8.

Labour emerged as the most powerful single party, with 47 seats, but the Christian Democrats, with 45, and the Liberals, with 36, were able to put together a comfortable majority which is expected to see them through at least two years in office.

Facing them is a yawning budget deficit of 10 per cent of national income, a social security system in need of drastic reform and unemployment currently topping 600,000, or 11 per cent of the workforce.

There is also the long-unresolved question of U.S. cruise missiles, of which the Netherlands is committed under a 1979 Nato agreement to accepting 48 on Dutch soil. Opposition to the weapons is widespread, and successive governments have tied themselves in knots trying not to take any binding decision on deployment.

Mr Lubber's first month in office was marked by a climbdown over one of his more cherished proposals. The first meeting of his cabinet devoted much of its time to plans for a three-month breathing space during which wages, prices and social benefits would be frozen.

This was intended to accompany talks aimed at agreement on a new economic order, in which wage rises would be reduced and public spending would be slashed. Not surprisingly, the trade unions were less than enthusiastic. Labour was also opposed to both ideas and there was even some disquiet within the coalition ranks.

In the end Mr Lubbers was saved by an agreement between employers and unions on November 19, under which employees would accept a pay rise of only 2 per cent on January 1 in return for working shorter hours.

A joint request was subsequently made to Mr Lubbers to drop his breathing space plan, and this he did, arguing that his main purpose had already been achieved.

Next Mr Lubbers announced a 1983 blitz on public spending and public sector pay. He told parliament that it was essential for the Government to reduce the budget deficit from the level it was expected to reach in 1983 — 11.9 per cent of national income—to 7.4 per cent by 1986.

As a result, social security payments this year would be held at 1982 levels and all 727,000 public employees would have their incomes frozen throughout 1983.

Once again, the Labour and union hackles rose. Teachers and transport workers went on strike for a day, and widespread protests were promised throughout the public sector. There were protests, too, about the effect on those with low incomes *of cuts in the real value of* social welfare payments and it was pointed out that nothing was being done to bring down the number out of work.

Mr Den Uyl was especially incensed by a compromise plan worked out between the Christian Democrats and the Liberals for a new tax structure, which would have left the purchasing power of the wealthy undiminished while those at the bottom end of the scale would have seen their spending power go down by 4.5 per cent.

Some centre-left Christian Democrats were also upset by this prospect and, after much deliberation, a modified incomes plan was proposed, shaving the loss of the poorest back to 3.5 per cent and reducing the purchasing power of those earning more than Fl 140,000 (£33,000) per year by 1.5 per cent.

The Left's victories were not outstanding. They do, however, show that Mr Lubbers is vulnerable to unified assault and cannot expect to introduce as tough a series of economic reforms as he would wish.

On the nuclear missiles front, the Government has continued the fudging of its predecessors. The idea now is that preparations for the siting of the Cruise missiles should go ahead as planned, but that a decision on the siting of the weapons themselves should be left until parliament can consider the results of the current East-West arms limitation talks in Geneva.

With most Dutch people opposed to the missiles, Mr Lubbers and his colleagues were perhaps left with no other choice.

Even so, Washington, Bonn and London will be less than pleased. Deployment of the weapons in the Netherlands is intended to be part of a pattern of sitings in Europe, and the Dutch link is not only important in itself but could influence the policy of neighbouring Belgium.

At the moment, it could be argued that the Government is merely defining the battleground and putting out feelers. Its long-term success will depend on the extent to which it can accommodate the views of the opposition inside and outside parliament, while still achieving its aim of creating a country better able to live within its means.

Mr Ed Nijpels, the Liberal leader—went out of his way to discredit Labour

Leak could set back N-power

THE DISCOVERY this week of a leak of radioactive cooling water from a nuclear reactor at Borssele, in the south-west of the Netherlands, could yet drive another nail in the coffin of Dutch atomic energy generation, writes Walter Ellis in Amsterdam.

Although the leak was small, affecting only 30 cubic metres of water, and was repaired within 24 hours, it comes just as the finishing touches are being put to a vital, Government-sponsored report on the future of nuclear power in the Netherlands. The report, by the Brede Maatschappelijke Discussie, will be based on hundreds of interviews with atomic energy specialists and interest groups and should be out before the end of this month.

It is believed that a majority of the Dutch electorate is against atomic energy—just as it is opposed to nuclear weapons—and that only well-argued industrial necessity, supported by the trade unions, could lead to a fresh nuclear programme.

At present, the Netherlands has two nuclear power reactors: that at Borssele and one at Dodewaard, near Arnhem. Three more were to have been built, but a massive public outcry forced the Government to abandon its plans and to commission a full-scale inquiry. A separate investigation is being carried out into the fate of Borssele and Dodewaard, and this week's nuclear leak from the former is unlikely to assist the inquirers towards a positive conclusion.

Other straws in the wind have been the Netherlands' virtual pull-out from further collaboration with West Germany and Belgium on the fast-breeder reactor at *Kalkar, in West Germany*, and last year's decision to suspend 90 per cent government financing of Neratoom, the national nuclear research and investment consortium, beyond 1986.

Italy to cut ethylene output by 25%

BY CARLA RAPOPORT

ITALY'S output of the key petrochemical ethylene will be cut by nearly 25 per cent by the end of 1983, according to Enoxy, the chemical company owned by ENI, the state energy concern.

Enoxy has recently acquired many of Montedison's chemical plants in Italy and the cutbacks should go some way toward easing the substantial overcapacity within the European chemical industry.

In late 1981, Italy had an annual output of 2m tonnes of ethylene, which is used to make a wide variety of plastics and resins. By the end of this year, Enoxy says, that capacity will be done to 1.5m tonnes. At that time, Montedison is *expected to hold 450,000 tonnes* of this capacity, with Enoxy owning the balance.

Enoxy says it will take only 2,200 Montedison employees as part of the deal. This will mean hundreds of redundancies and talks with unions are under way.

Italian output of low density polyethylene (LDPE), a bulk plastic used to make film, mouldings and coatings, will also be cut significantly as a result of the reorganisation. Enoxy estimates that total LDPE capacity will tumble by 40 per cent by the end of 1983. This reduction would have been higher but for some conversion to linear low density polyethylene production.

In its enlarged form, Enoxy this year should double its current $1bn sales. The company will employ more than 7,000 people and own assets valued at $1.1bn.

Reserves at record in Switzerland

By John Wicks in Zurich

THE SWISS national bank's foreign currency reserves reached an end-of-year record of SwFr 31.87bn ($16.1bn) This compared with SwFr 25.4bn ($12.87bn) at the end of 1981 and the all-time high of SwFr 31.92bn ($16.12bn) in ate 1978.

Gold reserves were unchanged at about SwFr 11.9bn ($6bn) and have shown no noticeable change since the mid-sixties.

A jump in the foreign currency reserves of almost SwFr 2.3bn in the last 10-day reporting period of 1982 was due largely to a revaluation on the basis of an average dollar rate of SwFr 2.049 for the month of December. The corresponding 1981 exchange rate was SwFr 1.815.

Although no earning figures are yet available from the bank, they are said to have been strengthened by interest income on currency holdings.

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Portugal approaches IMF about new standby loan

LISBON — Portugal has approached the International Monetary Fund (IMF) about a new standby loan or reactivating an earlier request for a $1.5bn extended facility, according to officials here.

The country's monetary authorities apparently sounded out the IMF during the visit to Washington last month of Sr Fransisco Pinto Balsemao, the Prime Minister. One senior official said the "Fund's gates are open."

The officials said Portugal cannot negotiate with the IMF until the current government crisis is resolved and a new budget for 1983 approved. Sr Balsemao resigned two days after his return from Washington, forcing the withdrawal of the 1983 budget prepared by his government.

Exactly which facility Portugal will apply for also depends on external factors such as progress over moves to replenish the IMF's quotas, they said.

The approach to the IMF was made when Sr Joao Salgueiro, the Finance Minister, called on the IMF to discuss a request Portugal tabled last summer for about $100m under the Fund's compensatory financing facility to make up for export losses in 1981.

Portugal had sought a SDR 1.3bn (£78m) loan under the medium-term extended facility in 1980 to deal with the structural causes of its growing payments deficits. The negotiations were frozen, however, after Sr Salgueiro took over the Finance Ministry in September 1981.

Professor Jacinto Nunes, the Governor of the Bank of Portugal, is reported to have been deeply opposed to the freeze, fearing the loan would be much more difficult to secure at a later stage.

The officials said the Fund's present financing problems suggest it is unlikely that Portugal will be able to secure a loan under the extended facility at this stage. They said the main alternative—a stand-by loan—is not as unattractive today as in 1978 when Portugal obtained a $70m loan from the IMF in order to unlock a $750m credit from a consortium of international banks.

The IMF has been forced to introduce some changes in the stand-by conditions because of recent debt problems in Latin America.

Reuter

European industry pessimistic about 1983

By John Wyles in Brussels

EUROPE'S MAIN industrial organisations have added another gloomy assessment to the recent string of pessimistic economic surveys with a warning that neither domestic nor external demand is likely to be strong enough to give much of a boost to production in 1983.

Unice, the umbrella organisation representing the EEC's main industries, sees a general decline in inflation as the only really positive factor in its end-of-year review of economic developments and prospects.

A team of economists, drawn *from* each of Unice's members whose conclusions are based on detailed surveys of their national industries, has concluded that there is little or no prospect of an upturn in domestic economic demand.

This being so, Unice casts strong doubts on the possibility of any real growth in exports across Europe this year and warns against placing too much reliance on an upturn in the U.S.

Turning to individual *countries, the Unice review* says that the downturn in West Germany over the past six months has been so great that no conceivable recovery this year could do more than produce zero growth for the year as a whole. The fall in industrial production reflects a weakening in domestic and foreign orders and "an involuntary increase" in stocks. Meanwhile, the fall in corporate profits has been more serious than official indicators have suggested.

In France, declining production has been particularly marked in consumer goods, except cars, and in the construction, telecommunications and defence industries. Exports will remain flat, "while imports surge" so that a further large balance of payments deficit is in prospect. This will reflect a growing loss of competitiveness which, in the past 18 months, has cost France 5 per cent of its world and 10 per cent of its EEC market shares.

The main contribution to a 1 per cent growth in gross domestic product this year in Britain will come from consumer spending. Imports could rise very sharply so that last year's current balance of payments surplus is turned into a £1bn deficit. Some improvement in profitability is expected, but private investment will remain "very depressed."

Growth in Italy will have to come from export demand, says Unice, and the Government is urged to secure a "cooling off" period for wages and prices and an increase in revenues through some kind of special tax.

In the Netherlands, industrial production could fall by 1.5 per cent this year and total investment by a similar percentage. Belgium, however, could continue to show some modest signs of recovery with industrial production rising and exports increasing.

EUROPEAN NEWS

Paris plans tough police measures on Corsica

BY DAVID HOUSEGO IN PARIS

THE FRENCH Cabinet is expected today to approve new measures for reinforcing police powers on the island of Corsica in the face of a fresh wave of terrorism by the underground separatist Corsican National Liberation Front (FLNC).

A police commandant's car was blown up on Monday night in the south of the island and three explosions occured in the capital, Ajaccio. These incidents followed the shooting of a veterinary surgeon, M Jean-Paul Lafay, on Friday after he had refused to pay a "revolutionary tax" being demanded by the Front.

M Lafay, a Frenchman from the mainland – and thus regarded as an "outsider" by the Front, which wants all Frenchmen to leave – had given a television interview explaining his refusal a short while before he was shot and severely wounded. A chemist who also refused to pay the newly introduced "tax" had his car blown up over the weekend.

The new wave of violence marks a major setback for President François Mitterrand's attempt to defuse the separatist movement by granting Corsica more regional autonomy. In August, Corsican autonomist political parties gained a majority of seats in the election to a new regional assembly.

This was set up within the framework of the government's decentralisation plans and with the aim of giving the island a greater say in managing its own affairs.

The extremist FLNC boycotted the elections.

The decision to reinforce police powers on the island accords with M Mitterrand's crackdown on terrorism after a wave of anti-Jewish violence shook Paris in August.

Yesterday, M Mitterrand had talks with M Gaston Defferre, the Interior Minister, and M Joseph Franceschi, the Secretary of State for Security appointed in the summer to curb terrorism, about the situation in Corsica. Evidently anticipating trouble from the Front, which has never renounced its separatist goals, M Franceschi secretly visited Corsica at the end of last year.

Following the tougher measures now expected, it was announced yesterday that two of the most senior police officers on the island had been replaced by policemen from the mainland.

Emphasising the Government's determination to enforce the law, M Pierre Mauroy, the Prime Minister, said yesterday that all those who "pitted violence against the law would suffer the penalties of the law." This statement is in marked contrast to the tolerance the Government has previously shown

Danes hope confusion will spur fish talks

BY HILARY BARNES IN COPENHAGEN

THE CONFUSION and publicity following Denmark's rejection of the proposed EEC Common Fisheries Policy has been well received by the MPs who threw it out just before Christmas. Their aim seems to have been to cause as much uproar as possible in the belief that this would increase the chances of negotiations starting again.

Few fishermen in the North Sea have much idea what they are allowed to catch or where: the fisheries agreement between the EEC and Norway, which has temporarily closed its waters to Community fishermen, has been suspended; the agreement between Brussels and the Faroe Islands will also have to be re-negotiated; and the status of West German, Faroese and Norwegian fishing rights off Greenland are in doubt.

No one in Copenhagen seems to have a clear idea of the short-term balance of disadvantage from the present situation, but Danish fishermen are not the only ones who are in trouble. British fishermen have important interests in Norwegian and Faroese waetrs.

Danish objections to the proposed Common Fisheries Policy pivot around the claim that Denmark, as a small and politically unimportant nation, has been sacrificed in order to buy off Britain and France in the confident expectation on the part of the EEC Commission that Denmark would not have the courage to stand out against its partners.

As evidence of this treatment, the Danes cite the figures in the Commission's 1979 fisheries proposals (when the late Mr Finn Olav Gundelach was still the EEC's fisheries commissioner). These gave Denmark a 27 per cent share of the seven main species, in line with the country's historic share. The offer made by the Commission last October would have given Denmark 21 per cent of the same species.

Said one official: "It is inconveivable that the Commission would have tried to put over a policy of this sort against a major EEC nation such as France or the UK."

The Danes claim that the quota awarded to Britain by the proposed CFP is more than the British fleet can catch, while many Danish fishermen will face bankruptcy.

They regard as unfair the much-debated zero mackerel quota which the Commission offered to Denmark. The total allowable catch of mackerel off the west coast of Scotland has been reduced from 600,000 tonnes in 1982 to 335,000 tonnes. The Danes suspect this has been engineered as an excuse to exclude their fishermen from the area.

They point out that the British use more mackerel for fishmeal than the quota Denmark is asking for, the Dutch receive export subsidies from the EEC for five times the quantity of mackerel they are permitted, and far more mackerel is sold, again with EEC export subsidies, to East European factory ships than the Danes are requesting.

EEC vessels observing ban, says Norway

BY FAY GJESTER IN OSLO

FISHING VESSELS from EEC nations appear to be observing the ban on fishing in Norwegian waters which took effect from January 1 after the Community failed to agree a common fisheries policy. This failure has meant that a 1983 fisheries agreement worked out last month between Norway and the European Commission cannot take effect.

A coastguard official confirmed yesterday that sea and air patrols in Norway's 200-mile zone had been stepped up, but no violations of the ban had been reported.

Denmark, whose disagreement with the other EEC countries has led to the problem, took some 70,000 tons of fish in Norway's part of the North Sea last year, under the 1982 agreement between Norway and the Community. Nearly half of this was Norway pout, which is used for making fish-meal and oil.

Last year, too, the Danes fished for shrimp and capelin in waters off the Svalbard (Spitsbergen) archipelago, where Oslo claims the right to enforce a fishery protection zone. Norway protested to the EEC about this and, during negotiations about the 1983 agreement, appeared to have reached a compromise on the issue.

The EEC was willing to order Denmark to stop fishing for capelin off Svalbard in return for Norway's offer of additional mackerel quotas in its 200-mile zone.

Commission troubled by legal doubts

By Larry Klinger in Brussels

LEGAL uncertainties and doubts over international agreements will overshadow the start today of the European Commission's efforts to safeguard the EEC's new fisheries policy and avoid a fishing "war" among member-states.

The Commission is pledged to co-ordinate the enforcement measures taken individually by various members following agreement on a Common Fisheries Policy at the end of the year by nine EEC nations in the teeth of Danish objections.

Officials remained confident yesterday that the Commission would approve the enforcement measures, but legal and technical problems may delay a full decision at least until the end of this week.

The main question taxing Commission experts is how to give precise legal force to the rules governing preferences for local fishermen in coastal areas. This is the type of regulation expected to be challenged this week in British waters by Danish fishermen.

The Danish fishing industry maintains that without unanimous EEC agreement, all Community waters have become open following the expiration on December 31 of the temporary fishing arrangements brought in 10 years ago.

Commission officials are not sure of their legal ground in excluding Danish fishermen from British waters where they may have fished under quota in the past, especially in areas off Britain's east coast. But they feel there is no serious legal issue around the Shetlands and the west of Scotland where Denmark is not considered to have fished traditionally.

Furthermore, under whose national law will potential offenders be tried? In the state in whose waters the arrest occurs, or in the country in which they live?

Another serious problem facing the Commission is how to conclude its 1983 international arrangements concerning jointly managed stocks with countries such as Norway, Sweden and the Faroe Islands while internal uncertainties prevail.

It is felt in Brussels that Norway would be prepared to ratify a new agreement immediately if a CFP could be put firmly into place, but that the Norwegians are not prepared to move until they are assured that the Community can put its own house in order.

Soviet textile industry purge

By Anthony Robinson in Moscow

THE HIGHLY publicised fight against corruption, economic mismanagement, waste and labour indiscipline, which has become the hallmark of the domestic policies of the Andropov regime, has found a new target – the Soviet textile industry.

After an investigation by reporters from the Socialist Industry newspaper had exposed widespread fraud, "creative accounting," mismanagement, waste of raw materials and poor-quality production in several textile plants in the Russian Federation, the largest of the 15 Soviet republics, an official investigation followed. As a result the textile industry minister of the Russian Federation and his deputy received a severe dressing-down and several factory managers, engineers and lesser officials have been fired, the paper reported.

The tone of the article, which concluded with a ringing appeal for all workers and managers to heed the words of Mr Yuri Andropov at his inaugural speech to the party central committee in November, implied that a similar fate would befall others if greater discipline and efficiency were not introduced.

The poor quality of most Soviet textiles is legendary, largely because light industry generally has been starved of resources as investment priorities have consistently favoured heavy industry and the military economy.

There is little that the current anti-corruption and greater discipline drive will do to resolve the underlying weakness of the Soviet economic system. But the latest exposure of malpractice in the textile industry appears to be an attempt to show that the new regime listens to public opinion.

Jonathan Carr meets W. Germany's top businessman

Munich's quiet professor of industry

"THE PROFESSOR'S workers think a lot of him," said an insider confidentially. "Don't criticise him in any bar near his factories or you are liable to be given a thick ear."

It may seem odd that a professor should have factories at all — and still stranger that he should arouse such fierce loyalty in his workforce. But then Dr Rolf Rodenstock, head of the Munich opticals concern which bears his name, is no ordinary man.

Apart from owning and managing a group with 6,000 employees and an annual turnover of more than DM 500m (£130m), he also happens to be President of the Federation of German Industries (BDI)—the key organisation which protects and furthers industrialists' interests at national level.

It is fair to say that Dr Rodenstock, aged 65, "happens" to have the top industrial job because — paradoxically — he had no ambitions for the role. He recalls with an ironic smile how after pressure from colleagues to take the BDI presidency in 1978, he finally agreed to do so for just one term of two years.

Since then he has, as it were, submitted to re-election twice—and now insists that he will step down in 1984.

"I gave a finger and they took the whole hand," he says ruefully. His big regret has been that what with the BDI job, his company and several supervisory board posts, he has had to give up lecturing in business administration at Munich University.

"I loved doing that," he says. "The contact with younger people, the mixture of the theoretical and the practical was particularly attractive. But even with the best organisation and delegation one must stop somewhere."

Not that Dr Rodenstock gives any impression of being rushed off his feet. With his deliberate understatement and his deep tan (gained, one learns, from skiing, sailing and playing tennis) some might even think him an amateur.

But his appearance is deceptive. Dr Rodenstock's record at the BDI and in his own company speaks for itself.

When he took over the BDI presidency, the organisation was demoralised. One former leader, Dr Hanns Martin Schleyer had been shot by terrorists in 1977. His successor lasted a few months, then stepped down amid unsavoury talk about tax evasion. In the circumstances, it took courage to accept the job at all.

Dr Rodenstock quietly found the right balance within the Federation of German Industries and helped improve its image. After a period in the doldrums, the organisation has regained self-confidence.

Even without those problems, the BDI presidency is no bed of roses. The West Germans pride themselves on the structure of their industry—with a good spread of small and medium-sized enterprises as well as the "giants." But the BDI has the delicate job of trying to represent the interests of them all, giving the bigger concerns appropriate weight without offending the sensibilities of the smaller ones.

Dr Rodenstock quietly found the right balance within the BDI and helped improve its public image. The result is that after a period in the doldrums, the organisation has regained self-confidence and the credibility of its stand on economic matters has improved.

Dr Rodenstock has clearly been helped in his delicate balancing act at the BDI by the fact that his own company has a foot in both worlds. It is a medium-sized concern in turnover terms, but one of the national leaders in the production of spectacle frames, lenses and optical instruments.

When Dr Rodenstock took over from his father in 1953, Optische Werke G. Rodenstock (founded 1877) had about 2,000 employees. Now it has three times that number, with foreign production facilities and more than one third of domestic output going to export.

What is the secret of the company's success? Dr Rodenstock talks about the initial boost of the post-war national reconstruction period, a judicious investment policy, not least abroad—and continuity of management.

But that can be only part of the answer. Nor can the company's largely trouble-free labour relations be the result of "Mitbestimmung"—worker participation in management through membership of a supervisory board.

For Optische Werke Rodenstock is a private company, for which Dr Rodenstock has unlimited liability with his personal and business assets. As such, it does not fall under Mitbestimmung laws and has no supervisory board, although it does have works councils for thrashing out management-labour problems at shopfloor level.

In the end, much of the smooth running of the business must be attributed to "the professor" himself—above all to his readiness personally to inform the workforce about problems as well as successes, in spite of his pressing national duties.

When Herr Helmut Kohl, the Chancellor, called employers' leaders to meet him at short notice recently, Dr Rodenstock had to turn the invitation down. He already had a meeting scheduled with representatives of his Munich workforce and, as far as he was concerned, that took top priority.

With that background, it is not surprising that Dr Rodenstock's comments on the trade unions, the coming national wages round and the need to cut social security costs are not polemical.

He repeats what are, broadly, the standard employers' arguments. But he manages to do so with such sweet reason as to suggest he is simply trying to do the workers a favour.

There must be more investment to create new jobs, he emphasises, but that means company earnings must improve. That implies lower wage costs, not least in the interests of the unemployed.

As for social security: "Look at the demographic factors alone. At present there are 100 employees for every 38 pensioners. In 10 years there will be 100 to every 80 pensioners. There must be both economic growth and some trimming of benefits if the system is to be financed." But he adds: "Trimming where it is socially defensible."

As for the West German work ethic—one had to realise there was now a generation which had not seen the war and for whom "work, ambition, success are not the same determining factors. But the capabilities of the younger people are generally high and you should not judge them on the basis of a few fringe elements. Besides, Dr Rodenstock added with feeling: "passion for work is not the only worthwhile element in life."

AMERICAN NEWS

Shake-up likely in U.S. arms control officials

BY ANATOLE KALETSKY IN WASHINGTON

IN A decision which could produce a major shake-up among the Reagan Administration's arms control officials, the White House announced yesterday that it was dropping the nomination of Mr Robert Gray as deputy director of the State Department's arms control and disarmament agency.

The significance of the announcement is that Mr Eugene Rostow, the agency's director who is in effect the Administration's chief disarmament strategist, had earlier stated that he would resign if Mr Gray's nomination, which was fiercely opposed by senator Jesse Helms and other congressional conservatives, was abandoned.

It has been rumoured in recent weeks that the White House would welcome Mr Rostow's resignation, although it is not clear whether this indicates change in President Reagan's attitude to arms control. Mr Rostow, who was told about the decision on Mr Gray yesterday by Mr George Shultz, the Secretary of State, did not resign or threaten to resign according to officials.

However, the question marks over Mr Rostow's future and Mr Shultz's lack of any clear personal involvement in disarmament questions threaten to intensify the growing public confusion on the Administration's real attitudes to disarmament.

Last week the White House deliberately deflated optimistic comments about the prospects for disarmament by General Edward Rowny, the chief U.S. negotiator at the Strategic Arms Reduction Talks in Geneva.

Poison alert follows Missouri floods

By Nancy Dunne in Washington

U.S. Health and environmental officials have converged on the small Missouri town of Times Beach to determine if dioxin deposits spread by recent floods will imperil the town's 2,400 residents.

Seven hundred families who evacuated their homes during flooding last month are camping in temporary housing outside the area where contamination is suspected.

Dioxin, one of the most toxic substances known, was apparently contained in oil which was sprayed on the streets of Times Beach for dust control in the early 1970s.

Federal pollution officials, suspecting a problem, were testing soil in ditches along the roads before the flooding occurred. There are worries that the floodwaters have carried the substantice throughout the area.

The Environmental Protection Agency is due to start testing soil samples today and hopes for results "within days."

On Monday, President Ronald Reagan designated the town as eligible for federal funds to clean up the flood debris.

Mary Helen Spooner in Santiago examines Chile's worsening banking crisis

Chilean debtors give Pinochet a headache

GENERAL Augusto Pinochet's Government is discovering that its worst headaches these days are coming not from the opposition but from the very sectors claiming to be the staunchest supporters of Chile's military regime.

Early last month, the military authorities expelled three men arrested at two separate "unauthorised" assemblies. Two of them, Sr Manuel Bustos and Sr Hector Cuevas, were trade union leaders, whose labour activism had put them at odds with Chilean officialdom. But the third was the avowedly anti-Communist president of the National Wheat Producers' Association, Sr Carlos Podlech.

Sr Podlech, along with two sons and 12 others, was arrested at an attempted gathering of farm, business and labour leaders in the southern agricultural town of Temuco. The meeting was to read a statement signed by Sr Podlech, along with the president of the National Confederation of Truckers, a top trade union leader and several private sector spokesmen calling for a "*substantial* change in current policies."

But the gathering was broken up by Chile's military police, the *carabineros* and two days later Sr Podlech was flown to Brazil.

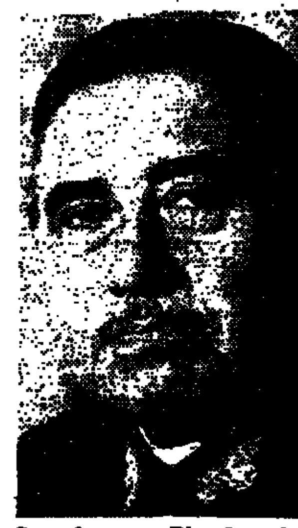
A growing dissatisfaction on the part of the Chilean business and agriculture community over their heavy indebtedness lay behind the ill-fated project in Temuco. The Government's devaluation of the peso last year—after several months of official denials that such a move was under consideration—has effectively increased the outstanding obligations of those who had contracted dollar debts.

In addition, the Government's pressures on Chile's private banking system to curb its formerly freewheeling lending policies and tighten its accounting practices has prompted many banks to crack down on errant debtors.

Last year, the central bank offered to take charge of the banks' bad debt portfolios and promised that it would intervene in no more financial institutions for violations of banking law, if the banks agreed to certain stiff conditions.

The bad debt portfolios were exchanged for non-negotiable Government bonds, which must be repaid at 5 per cent every six months over a 10-year period. *The banks also* promised to heed the recommendations of the Government banking superintendency controlling the extension of new loans and the collection of outstanding credits.

It was an indication of the



Gen Augusto Pinochet: has little sympathy for banks and debtors

seriousness of the Chilean banking crisis that all by a few financial institutions accepted the Government's offer. And yet the banks' bad debt burden since then has still grown. At the end of last September, the central bank had taken on bad debt portfolios worth 27.3bn pesos (£23.5m). A month later, this figure had grown to 33.9bn pesos.

At the same time, the bank's efforts to sieze the assets of bankrupt debtors have in many cases met fierce resistance, especially from labour groups desperately trying to avoid more company closures and job losses. Last November hundreds of protestors surrounded a factory in the southern port of Valdivia in a successful effort to prevent it being auctioned. The auctioneer found the factory locked and a Chilean flag draped over the entrance.

During the first 10 months of last year, Chile's industrial production has fallen by 17.7 per cent, according to the national industrial society Sofofa. Gen Hernan Benjares, the executive tric company, Chiledira, recently calculated that 17 per cent of the industries in the greater Santiago area had had their electricity supplies cut off for falling behind on power bills.

Chile's agricultural producers see themselves in equaly dire straits, and many are pressing for a 10-year moratorium on debt repayments to domestic banks.

The President of the National Agricultural Producers' Confederation has condemned the "cold and calculating" position of Chile's private banks and said that if a solution to the debt crisis could not be found, then the regime should consider nationalising the banking system. Such criticism has not always been appreciated by Chilean authorities.

Shortly after the expulsion of Sr Podlech and the two trade unionists, officials ordered two Temuco radio stations to cease their news broadcasts and to restrict their programming to music because the radio stations had aired a commentary calling Chile's bankers "usurers".

Sr Eduardo Diaz, the director of the radio stations and a former leader of the extreme right wing group Fatherland and Liberty, felt it necessary to go into hiding to avoid arrest following the Government's order.

Gen Pinochet, meanwhile, appears to have little sympathy either for Chile's troubled banks or their debtors.

In a recent speech, Gen Pinochet said that his government had been too lenient with Chiles's private sector and that the *banks* were at fault for questionable lending practices. In an apparent reference to Chilean financial conglomerates, he indicated that more *expulsions of private sector leaders* such as Sr Podlech could be forthcoming.

His government, he said, "should have expelled at least 100 to 200 people who raised empires on paper."

Latin America's inflation rate reaches 80%

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

LATIN AMERICA in 1982 recorded the worst economic results for four decades and the average rate of inflation in the countries of the area was a record 80 per cent, according to the UN Economic Commission for Latin America (ECLA).

The region's foreign debt now comes to \$247bn (£171bn), the total gross national product fell by 1 per cent last year, and on a per capita basis, it was reduced by 3 per cent, falling in all the 19 countries covered by ECLA statistics.

The balance of trade improved sharply last year, moving from a surplus of \$600m in 1981 to one of \$8.8bn in 1982. Nevertheless, this improvement was swallowed up by net payments of profits and interest which last year totalled \$34bn, double the figure in 1980.

As financial remittances abroad rose sharply, the net inflow of capital fell drastically from \$42bn in 1981 to \$19.2bn last year. Latin America's foreign debt rose by 7 per cent last year and the balance of payments switched from a surplus of nearly \$4bn in 1981, to a deficit of \$14bn last year.

The worst economic results last year were registered by Chile, where the 1981 recession became a great deal worse last year. With the virtual collapse of the construction industry, the gross national product contracted by an estimated 13 per cent. Unemployment in greater Santiago is put at around 25 per cent.

Rates of inflation had risen with particular force in Argentina, Bolivia, Costa Rica and Mexico. The Argentine inflation rate was running at 200 per cent a year.

It was in excess of that in Bolivia, after two years in which it had been kept under 25 per cent a year. The inflation rate in Mexico was touching 85 per cent, while in Costa Rica the inflation rate had doubled.

In Brazil and Peru the rate of inflation, while not increasing markedly, had remained high, just under 100 per cent a year in the former country and 70 per cent in the latter.

The best record in combating inflation came from Trinidad and Tobago and from Venezuela where, for the third year running, the rate of inflation fell. It remained relatively stable in Barbados, El Salvador, Jamaica and Panama and the Dominican Republic.

Commenting on the region's economic result, Sr Enrique Iglesias, the executive secretary of ECLA, said in Santiago that the improvement in the balance of trade of Latin America was caused by a 19 per cent drop in imports which more than compensated for a 10 per cent reduction in exports.

Forecasting continuing difficulties for the economies of the region, Sr Iglesias called for a reactivation of the stronger economies in the world and a series of adjustments to the economies of Latin America combined with a greater emphasis on regional co-operation.

He warned that Latin America would continue to need increasing financial resources as these adjustments were being carried out.

"It would be inappropriate if, after the great financial permissiveness of recent years, the private banks were to cut back their credits to the region,

Soviet-made Sam-7s 'used by Argentina in Falklands'

BY OUR BUENOS AIRES CORRESPONDENT

ARGENTINE GROUND forces used Soviet-made Sam-7 anti-aircraft missiles during the *Falklands conflict, according to* the latest issue of the official Argentine Air Force magazine, Aeroespacio.

This is the first indication that Argentina actually used Soviet weaponry during the fighting.

The military Government in Buenos Aires hinted that it might turn to Moscow for arms supplies after Western countries slapped an arms embargo on Argentina following its invasion of the Falklands last April.

But diplomats said that the shoulder-launched Sam-7s used in the Falklands were not necessarily purchased directly from the Soviet Union.

The short-range anti-aircraft missile was readily available *from international arms dealers,* and those supplied to Argentina could have come from Libya, they added.

But it is significant that the air force has revealed the past use of Soviet weaponry at a time when it is reported to be studying the possibility of buying Soviet military aircraft.

Sr Julio Gonzalez Vivot, Argentina's Defence Minister, hinted at this possibility on his return from attending the funeral of President Leonid Brezhnev in Moscow last November.

Aeroespacio mentioned the Sam-7s in an article on the use of missiles in the Falklands conflict, but pointed out that these missiles could only be used in reasonably good weather.

PUBLIC NOTICE

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£200,000. Total applications £1,200 000. Bills issued 5.1.83 due 6.4.83. Rate 9⅛%. Bills outstanding £200,000.

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A.B.N. Bank	10 %	■ Hambros Bank	10 %
Allied Irish Bank	10 %	Hargrave Secs. Ltd.	10½%
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	11 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10½%	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11 %
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Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	10 %
Banque Belge Ltd.	10 %	National Westminster	10 %
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Barclays Bank	10 %	P. S. Refson & Co.	10½%
Beneficial Trust Ltd.	10 %	Roxburghe Guarantee	10½%
Bremar Holdings Ltd.	11 %	Royal Trust Co. Canada	10%
Brit. Bank of Mid. East	10 %	Slavenburg's Bank	10 %
■ Brown Shipley	10½%	Standard Chartered	‖10 %
Canada Perm't Trust	10½%	Trade Dev. Bank	10 %
Castle Court Trust Ltd.	10½%	Trustee Savings Bank	10 %
Cavendish Gty Tst Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	10½%	Whiteaway Laidlaw	10½%
Citibank Savings	¶ 9 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10½%
C. E. Coates	11 %	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10 %		
Co-operative Bank	*10 %		
The Cyprus Popular Bk	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10 %		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
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Grindlays Bank	‡10 %		
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* 7-day deposits 6.5%, 1-month 6.75%. Short-term £8,000/12-months 7.5%-9.1%.
† 7-day deposits on sums of: under £10,000 6¾%, £10,000 up to £50,000 7¾%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¼%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

ENERGY REVIEW

The slow clean-up at Three Mile Island

By David Fishlock, Science Editor

ALMOST FOUR years have passed since the nuclear reactor on Three Mile Island ran amok early in 1979, causing America's most traumatic nuclear accident. "An unlanced boil" is how one U.S. nuclear industry executive described TMI to me recently. Until surgeons have done their stuff, the long process of rebuilding American confidence in nuclear power can scarcely begin.

The accident is not yet over, Dr Bernard Snyder, a senior U.S. nuclear inspector, warned nuclear engineers in Washington just before Christmas. Yet the clean-up of the hapless reactor is proceeding at a snail's pace—at only half the speed it could proceed, Dr Snyder estimates.

The reason is simply shortage of cash. The property damage insurance—some \$300m—is all but spent. The electricity company which owns the reactor is deprived not only of TMI 2 but of its twin reactor TMI 1. Even though no longer facing bankruptcy, it is desperately hard up.

Opponents of nuclear energy campaign ceaselessly in the Harrisburg area of Pennsylvania, close to the two reactors but which draws its electricity from a different company. Their objective is simply to keep the boil suppurating, the undamaged TMI 2 reactor shut down, and the fears of the local population alive. Some of their leaders will come to Britain this year to campaign against Britain's plans to buy an American type of reactor for Sizewell B in Suffolk.

The U.S. Government puts a high priority on the clean-up of TMI 2. Its nuclear inspectors, the Nuclear Regulatory Commission, has a team of 25 devoted exclusively to the reactor, headed by Dr Snyder, as director of the TMI Program Office. But the Government has yet to find a way of channelling more than small amounts of cash, for very specific tasks, *into the clean-up operation.*

Indeed, the NRC faces a writ claiming a cool \$4bn from the owners of TMI, General Public Utilities (GPU). It alleges that the nuclear inspectors took responsibility for any failings on behalf of GPU's reactor operators because they were the people who licensed the operators in the first place. It also alleges that the nuclear inspectors were remiss in failing to pass on to GPU some earlier experiences with a similar reactor, Besse-Davis, which might have helped to avoid the accident.

GPU is also seeking another \$4bn damages from Babcock and Wilcox, which supplied the reactor. According to Mr James Cunningham, chairman of McDermott, the big U.S. engineering group which owns Babcock and Wilcox, the nuclear inspectors themselves urged GPU to sue.

But no settlement of either action is likely to produce funds quickly enough to match the *urgency Dr Snyder sees in the* TMI situation. As he sees it, although there is "no imminent risk to the public or workers," the reactor is harbouring wastes akin to the highly radio-active waste from spent nuclear fuel, "in a form for which the facility was not designed." Moreover, the problem of clean-up and the risks of a radio-active leak are increasing as time goes on, he says.

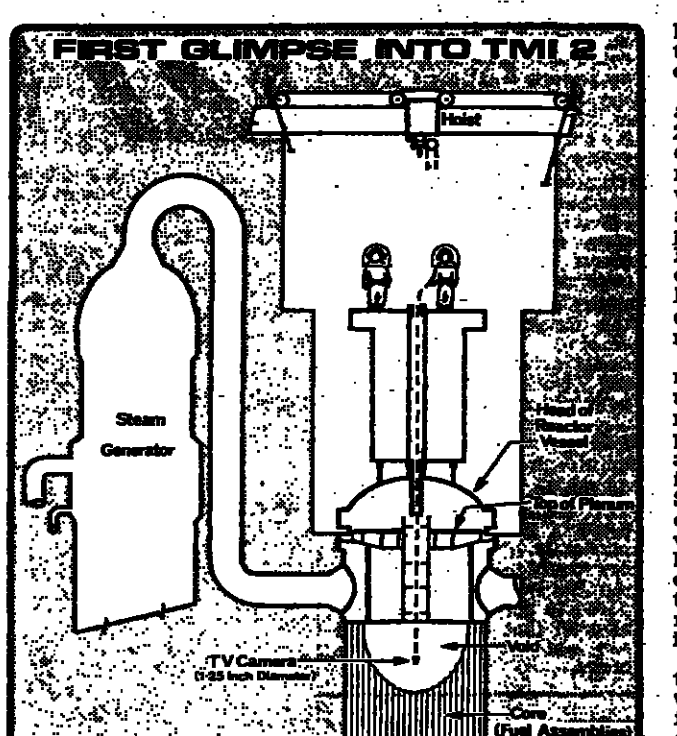
Dr Snyder's inspectors have recently taken their first peep at the damaged core of the reactor. The core consists of the nuclear fuel itself and an intricate structure assembled from high melting point alloys, designed to support the fuel firmly, control its output, and ensure that it shuts down safely and reliably when required.

The inspectors poked a tiny radiation-resistant TV camera, only 1.25 inches diameter, through the top of the reactor pressure vessel and down into three different channels in the core (see accompanying sketch). They found a big hole, the shape of an inverted bell, scooped out of the core. Beneath the core is a heap of rubble. They poked this rubble gingerly with a steel rod and found it "pretty loose," Dr Snyder says. It has not melted and fused into a solid mass.

The rubble consists of pellets of uranium dioxide fuel, like biggish black pills, which seem to have survived intact, together with shattered fragments of Zircaloy-4, Inconel, stainless steel and other alloys used in the core (see Table).

Very extensive damage—but *"pretty much as was predicted"* is Dr Snyder's assessment of this initial peek at the problem. As for its clean-up—"a difficult but not impossible task."

He believes that everything inside the pressure vessel must be removed and that none of it will be re-usable. One of the big worries was the extent of damage to the plenum, a 55-tonne structure which sits above the core and fits snugly into the pressure vessel. At first glimpse it looks "in pretty good shape", he says. With luck, it will slide out smoothly in one piece, the way it went in, once the head of the pressure vessel is removed.



Graham Lever

MELTING POINTS OF SOME MATERIALS IN THE TMI 2 CORE

Materials	Purpose	MP (°C)
Uranium dioxide	Fuel	2,806
Zircaloy-4	Fuel rod cladding and guide tubes	1,851
Zirconium dioxide	By-product of metal-water reaction	2,716
Iconel 718	Spacer grid	1,260+
Silver-indium-cadmium alloy	Control rod poison	788
304 stainless steel	Cladding of control rods, etc.	1,400+
Stainless steel CF-3M		1,426
Alumina-boron-carbide	Burnable poison rods	2,031
Fuel assemblies containing gadolinia	Experimental	2,751

Source: U.S. Nuclear Regulatory Commission

But the core and other contents of the pressure vessel are what Dr Snyder has in mind when he says that the most difficult clean-up and defuelling tasks lay ahead. It will require a whole new armoury of remotely-controlled tools to dismantle the shattered core, and to "vacuum clean" the loose debris from the vessel.

Some inkling of the complexity and expense can already be gained from ROSA, the remotely-operated service arm, a computer-controlled robot developed by Westinghouse's nuclear service division. ROSA is just being readied for its first job, this month. This is to make a modification inside a reactor already in operation in Alabama. The Westinghouse engineers will conduct the tricky conversion from a mobile control room parked outside the nuclear reactor, up to 600 ft away from the robot.

Dr Snyder expects the clean-up of TMI 2 to cost about \$1bn—of the same order as the cost of its construction. This does not include any attempt to rebuild the reactor—a task which he says is getting minimal attention at present, and none whatever from his team.

In fact, just what will be accepted as "clean" for TMI 2 is not yet decided. It involves complex trade-offs in terms of radiation exposure for the workers involved in clean-up, and must eventually reach a point of diminishing returns, Dr Snyder believes. The final decision by the Nuclear Regulatory Commission will depend on whether the plant is to be refurbished or decommissioned.

Last spring, in a very significant decision for the clean-up operation, the U.S. Department of Energy agreed in principle to take the radio-active wastes from the reactor for storage at its own facilities. Some of these have been concentrated on-site to a degree where they are tantamount to highly radioactive waste. The costs will fall on GPU unless the Department of Energy sees research and development value in the waste.

In the summer it was agreed that the Energy Department would accept the responsibility for removing, storing and disposing of the entire reactor core. This has given the nuclear inspectors "assurance that all of the high specific activity wastes will be ultimately disposed of off the TMI 2 reactor site," Dr Snyder says. Already about a quarter of the radio-active ion-exchange resins used to decontaminate some 600,000 gallons of radio-active water spilled from the reactor has been carted away by the Government.

The clean-up operation is being conducted by a joint team from Bechtel Corporation and GPU, mostly using the beefier non-nuclear workers recruited from the staff of the electricity company. It is arduous work. They work in multi-layered protective suits and must wear respirators, while manipulating hoses that operate at pressures much higher than a fireman's hose, *to scour the inside of the* reactor containment building and its vessels. The nuclear inspectors are monitoring these men closely for radiation exposure and "we're not burning anyone up." Where local hot spots have formed—because radioactive water has soaked into concrete, for instance—they erect shields to allow work to continue without too much restriction.

Current clean-up plans are to reduce radiation levels inside the reactor containment building to a point where they can remove the head of the pressure vessel this summer. Provided the plenum then slides out smoothly, they hope to begin dismantling the shattered core before the end of the year.

No one will hazard a guess how long this may take. It will be done by remote operation, while the core is kept flooded. But the sediment from the debris ensures that the water itself will stay pretty murky—"like driving at night in fog." Even the unshattered fuel is still producing sludge as highly radio-active ingredients such as strontium-90 leach out of the pellets.

But what worries Dr Snyder most of all is not the technical difficulties lying ahead but the fact that the clean-up is proceeding much too slowly. He believes it should be moving ahead at a pace costing \$120m-\$150m a year. Instead it is "limping along on half as much"—an estimated \$74m in 1983.

GPU, having spent the insurance on clean-up over the past four years, has no spare cash and is still prevented from earning any from its undamaged TMI 1 reactor. Most of the money has gone in decontaminating the auxilliaries *building, flooded with radio*-active water. It estimates that, at its current electricity price, failure to restart TMI 2 during 1983 will cost GPU another \$52m.

The States of *Pennsylvania* and New Jersey (where GPU is based) have made small grants of a few million dollars. The Department of Energy is chipping in about \$14m from its research funds in 1983.

But in spite of a commitment undertaken by the Edison Electric Institute, representing 77 per cent of the kilowatts sent out by investor-owned U.S. electricity companies, the U.S. nuclear industry has made no contribution yet toward the cost of clean-up. Yet the U.S. nuclear industry — definitely in the doldrums, with no new *reactor orders since the accident*—appears to have most to gain from expediting the clean-up operation.

"It is puzzling to me that support has not yet been forthcoming from those who stand to gain most from an expeditious clean up," Dr Snyder says. He also believes that both suppliers and operators of nuclear plant have valuable information to gain from the clean-up, not least because the types of radio-active waste produced under accident conditions are so different from those generated in normal nuclear operations.

Zimbabwe police in search for saboteurs on S. Africa border

BY OUR HARARE CORRESPONDENT

SOUTHBOUND traffic at Beit Bridge on the Zimbabwe/South Africa border was brought to a temporary halt yesterday when Zimbabwe police searched vehicles for saboteurs believed to be responsible for blowing up the main electricity supply line from Kariba Dam to the eastern city of Mutare.

The Zimbabwe Minister responsible for security, Mr Emmerson Munangagwa, denied that the border had been closed but eyewitnesses said traffic slowed to a trickle as police searched vehicles and scrutinised travel documents.

At the same time, it was reported that the main telephone line from Harare to South Africa had also been cut.

The Zimbabwe Electricity Supply Commission said that there had been a fault on the main power line to Mutare because four masts carying the line had "fallen over" on the main road from Harare to Beit Bridge, some 15 miles south of the capital.

Police believe that disaffected whites emigrating from Zimbabwe or returning to South Africa after the holiday were responsible for the sabotage. While no one is suggesting a direct link between yesterday's incidents and the renewed violence in Matabeleland over Christmas and New Year in which 12 people died and 21 were wounded, Mr Munangagwa has accused the Pretoria Government of exploiting the dissident problem by recruiting disgruntled former members of Mr Joshua Nkomo's Zipra guerilla army to join a new "Matabele brigade" being trained in the northern Transvaal close to the Zimbabwe border.

Zimbabwe Ministers, also blame South Africa for the serious fuel crisis caused by last month's sabotage of the oil tank complex at the Mozambique port of Beira and for a number of other sabotage incidents over the past two years.

The violence and sabotage of the past month has come at a particularly difficult time for Mr Mugabe's Government. Economic problems have intensified in recent months, culminating in last month's 20 per cent devaluation of the Zimbabwe dollar. The signs are that the country could be heading for another debilitating drought and the fuel crisis is adversely affecting all sectors of the economy, particularly tourism and agriculture.

White farmer morale is at a low ebb, particularly in Matabeleland. Some 35 white farmers and their dependants have died violently since independence nearly three years ago.

Israel accuses Syria of building missile sites

TEL AVIV — Israel accused Syria yesterday of building two sites capable of firing a large Soviet ground-to-air missile never before deployed in the Middle East.

A brief army statement said the sites were being developed deep inside Syria for Sam-5 missiles, but did not give the locations. It said the sites were not yet occupied, apparently meaning Moscow had not delivered missiles, but Israel would continue to "observe and research."

The army also announced it had found another batch of four Katyusha rockets across the boarder in southern Lebanon. Five others were discovered last Friday.

The Sam-5 is 16.5 metres long with a range of over 100 miles and can carry a nuclear tip to destroy enemy ballistic missiles, according to Western experts in Israel.

● Rival Moslem militias battled with artillery and multiple rocket launchers in Lebanon's northern port city of Tripoli yesterday. Police said more than 40 people were killed and uncontrolled fires destroyed several buildings in the fifth straight day of combat. It was the heaviest single-day death toll in the seven-week-old battle.

Agencies

State control tightened in Ghana

By Quentin Peel, Africa Editor

THE GHANAIAN Government has announced a series of sweeping economic measures to increase state control of the economy, especially over foreign banks and insurance companies, external trade, and retail trade within the country.

The measures are likely to affect major British subsidiaries in Ghana, including the operations of Standard Chartered and Barclays Banks, and the United Africa Company (UAC), the West African trading and manufacturing arm of Unilever.

The moves are part of a four-year economic reconstruction and development programme announced by Dr Kwesi Botchwey, the Secretary for Finance of the ruling Provisional National Defence Council headed by Flt Lt Jerry Rawlings. It is intended to revive the country's chaotic economy and stem the outflow of foreign exchange.

In a national broadcast, Dr Botchwey said all imports and exports would be brought under a state monopoly; that the compulsory state shareholding in retail banks would be raised from 40 to 80 per cent, as it would in foreign-owned insurance companies; that a national network of co-operative shops would be set up "to facilitate popular control of distribution"; and that new mineral and petroleum codes would be drawn up to encourage prospecting.

He gave no indication that the Government was contemplating devaluation of the grossly overvalued cedi, the national currency, which is understood to be a precondition for assistance from the International Monetary Fund. Rather, the programme suggests a determination by the Rawlings regime to adopt a radical, socialist programme.

He said the aim of creating a state monopoly of import-export trade was to "curb the drain on our foreign exchange resources through over-invoicing of imports," while the increase of state shareholding in retail banks was similarly to "curtail the drain or potential drain" of foreign exchange "through transfers by foreign-controlled commercial banks.

Spokesmen for the principal British companies involved in Ghana declined to comment.

K. K. Sharma, recently in Andhra Pradesh, Southern India, previews today's state elections

Matinee god challenges Gandhi's magic

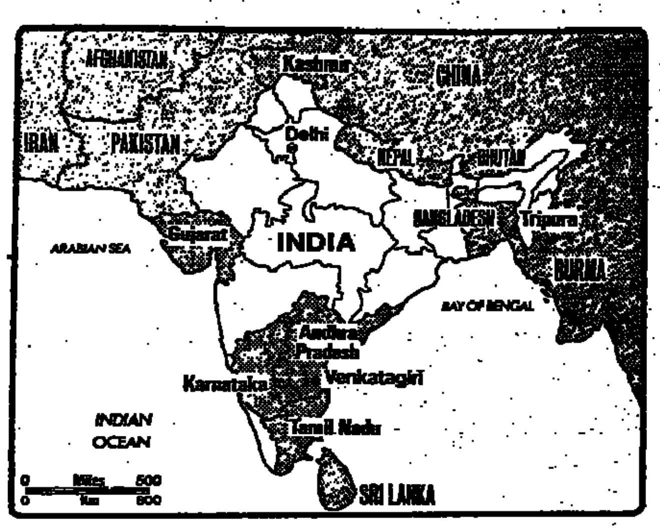
"HERE COMES God," cried a young woman waiting patiently with thousands of others in gaily-painted bullock carts in the small hamlet of Venkatagiri in the coastal state of Andhra Pradesh, southern India. Just as the flag-festooned caravan approached, she sprang from the crowd and stopped the leading vehicle, slit her wrist with a razor and smeared blood on the forehead of a sturdily-built figure in white robes.

Mr N. T. Rama Rao took the histrionics in his stride. Blessing the gasping woman, the tall figure motioned the long caravan of cars, jeeps and trucks forward as other women broke coconuts in his honour, prayed solemnly and offered him currency notes and coins. Then he made a brief speech in Telegu, Andhra's language, while his fans looked on in awe.

Mr Rama Rao, described by his supporters as "Avatar (prophet) born to restore dharma (true faith)," is a former popular film star, who played religious roles which have helped him attract a formidable following in the state.

His new political party, the Telegu Desam, preaches a local nationalism which threatens Prime Minister Indira Gandhi's once durable bastion in Andhra, where a new legislature is to be elected today. Karnataka and Tripura states are also due to go to the polls today.

The results of the voting will have key implications for Mrs Gandhi's strategy in other state elections to be held in the next six months and in the next general election, due to be held by 1985.



Mrs Maneka Gandhi: formed her own political party

To add to Mrs Gandhi's troubles in Andhra caused by Mr Rama Rao's populist slogans are divisions in her own family. Her daughter-in-law, Mrs Maneka Gandhi — the widow of the late Sanjay Gandhi — was literally thrown out of the Prime Minister's house a year ago, and has formed her own political grouping.

Maneka has been busy organising her party in all India's 22 states and has drawn impressive crowds. Now she has persuaded Mr Rama Rao to let her nominees contest five constituencies in Andhra. Her debut will further complicate the election scene for Mrs Gandhi. Meanwhile Mrs Gandhi, her son and chosen political heir Rajiv Gandhi, and Maneka have been electioneering all over Andhra, and all have drawn crowds.

The outcome of today's voting in the three states will not alter Mrs Gandhi's national position since her strength in parliament is not at stake. But the elections will show whether Mrs Gandhi's phenomenal vote-catching capacity is still intact in the face of new political forces.

The elections in Andhra — and in Karnataka, also in the south, and Tripura in the country's turbulent north-eastern flank — will test Mrs Gandhi's national popularity mid-way through her five-year term of office.

Tripura already has a firmly-entrenched Marxist Government, which should win again without trouble. But the loss of either Andhra or Karnataka, where Mrs Gandhi's Congress (I) Party has ruled unchallenged for the last three decades, would be a major blow.

Aware of this, Mrs Gandhi and her son have campaigned vigorously in the two southern states. They have spent more than three weeks trying to counter the threat posed by Mr Rama Rao. This is more than just a personal challenge to Mrs Gandhi by a former matinee idol. To lose Andhra to someone whose Telegu Desam party is less than a year old would bring a disturbing trend in Indian politics into sharp focus.

This trend is the rise of small regional parties built around personalities wtih a popularity confined to state boundaries. These have mushroomed in recent years and already control a number of states, posing a serious threat to the national parties like Mrs Gandhi's Congress (I) as well as to the numerous opposition parties.

Their political progress is assisted by the fact that the national opposition parties of both the Right and Left are internally divided and ridden with factions.

As a result, Mrs Gandhi faces no real challenge from the opposition except in isolated pockets. This diffused challenge has encouraged regional leaders to form their own parties based mostly on local chauvinism.

Such regional leaders have also gained political strength from the growing dissent within Mrs Gandhi's Congress (I) Party. Mrs Gandhi's chosen chief ministers in the 14 states she controls have no real political stature of their own and have been unable to check the rise of powerful dissidents in the party.

Mrs Gandhi and Rajiv face a severe test of their political abilities. Either they shed their stoical indifference to the growing restiveness in the Congress (I) Party and replace its cynical cultism with a positive ideology. Or, says one commentator: "They can draw transient comfort from stray electoral victories and complacently wait for the day when the party, like a century-old banyan tree, with its trunk chewed up by white ants, crashes down with a tragic finality."

Thais seek Japan loans

BY JONATHAN SHARP IN BANGKOK

THAILAND is seeking loans of Baht 21.67bn (£617m) from Japan to help finance a series of industrial projects based on newly-developed supplies of natural gas, Thai officials said.

The biggest project is a plant to produce chemical fertiliser, for which a loan of Baht 11.5bn is being sought.

The rest of the money is required for 16 projects connected with a plan to industrialise Thailand's eastern seaboard south-east of Bangkok. They include a gas separation plant, a petrochemical complex and a soda ash plant.

The Japanese have for almost two years taken a close interest in Thailand's eastern seaboard development. This has involved discussions on Japanese investment, and in the use of Japanese aid.

Thailand has also announced that it is removing a tax holiday it has granted on foreign loans of one year or less.

From January 1, a 10 per cent withholding tax that has been periodicaly waived since 1979 has been levied on interest charged by foreign banks.

Manila peso depreciation

BY EMILIA TAGAZA IN MANILA

IN A move designed to help correct the Philippines' huge balance of payments deficit, monetary authorities are to allow a gradual depreciation of the peso's exchange rate rather than support it against foreign currencies, particularly the U.S. dollar.

Mr Jaime Laya, the central bank governor, announced the policy after the Philippine peso's rate against the dollar posted the biggest drop for the whole of 1982, and after suggestions that the currency's exchange rate be propped up by the Government.

It is hoped the central bank's move will alleviate the country's payments deficit which in 1982 amounted to a record $800m (£494m), way above the previous year's $560m.

During the last trading day of 1982, the peso's value dropped to 9.17 pesos to a dollar from the previous day's 9.15 pesos. The end-year value reflects a depreciation by almost 12 per cent from the rate of 8.20 pesos per dollar at the beginning of the year.

Taiwan deficit may be £382m

By Bob King in Taipei

THE Taiwan Government has projected a shortfall in revenues of NT$25bn (£382m) for the fiscal year to end of June, and plans spending cuts

The Treasury has said that revenues for the fiscal year will probably reach only NT$313bn instead of the NT$338bn it set as a target earlier this year.

To make up for the deficit, the Finance Ministry has asked Government agencies to cut their normal operating expenditures

WORLD TRADE NEWS

Loan for Philippines project likely to be given go-ahead today

BY DAVID DODWELL

MR NEIL MARTEN, UK Minister for Overseas Development, is today expected to give the go-ahead to a controversial and long-delayed loan by the Commonwealth Development Corporation to a plantation project in the southern Philippines, according to Whitehall officials.

The CDC board agreed in February to provide a £6.4m loan to a palm oil plantation being developed jointly in Agusan del Sur on the island of Mindanao by the National Development Company of the Philippines and Guthrie Plantations Incorporated, called NGPI. The CDC is Britain's leading aid agency.

But the loan, needed urgently by the joint venture, has been held up in London because the Ministry of Overseas Development—to which the CDC is answerable—has been deeply concerned by "irregularities" reported in connection with the project.

Approval has at last been given, after two months of intensive negotiations with the Philippine Government, because of fresh safeguards contractually agreed by them and the joint venture partners. These include:

- A new security service on the plantation site. The present force is an unofficial but Philippine government-sanctioned anti-Communist group based in the area. The force, known as the "Lost Command" is allegedly responsible for extensive harassment and for protection rackets.
- Assurances that the new security service has no connection with the "Lost Command," and will not have any connection in future.
- Establishment of a 15-man Philippine constabulary to provide security on the plantation until the new force has been trained—hopefully by June.

- Contractual warranties from the joint venture partners on fair employment practices, and the provision of a safe working environment "free from harassment."
- Provision for outgrowers who will own their own land but sell produce to the plantation.

The CDC has been invited to station a representative in the area to monitor implementation of the agreed changes. They will also nominate a director to the board of the joint venture. This is likely to be Mr Christopher Stephenson, the CDC's Singapore-based Asia representative.

At least £1.7m of the CDC loan will be disbursed immediately to meet backdated running costs on the plantation. But the CDC has made it clear that disbursements beyond June will be conditional on successful introduction of security arrangements.

A linked $11m loan from the International Finance Corporation, the hard-loan arm of the World Bank, will be unblocked because of today's ministerial decision.

Iata airlines face $2bn losses

By Michael Donne, Aerospace Correspondent

LOSSES by the world's airlines in the coming year are expected to amount to between $1.7bn and $2bn (£1.2bn)—the fifth consecutive year of deficit, says Mr Knut Hammarskjold, director-general of the International Air Transport Association.

Mr Hammerskjold said he had no illusions as to the magnitude of the task in fighting back to profitability.

The airlines faced stagnant markets in many areas, inadequate yields, a capacity growth of 3 per cent outstripping traffic growth of about 2 per cent, and a continued high level of interest payments.

Much of the anticipated losses in 1983 would be due to the heavy burden of interest payments.

Mr Hammarskjold said the airlines would continue their belt-tightening measures. "The crucial elements in their continuing efforts to return to profitability are revenue improvement and vigorous cost control."

In addition to continuing their fight against protectionism in world aviation markets, the airlines would continue to promote market-responsive but economic fares, reduce illegal discounting of air tickets, and try to improve the utilisation of air space.

Taiwan considers toughening trademark law

BY BOB KING IN TAIPEI

THE TAIWAN legislature is considering a tough revision of the country's trademark law which could help to curb trademark piracy in the country.

The proposed revisions, which were sent to the legislature by the cabinet near the end of the year, are in line with those proposed by the Interior Ministry last February.

They provide mandatory jail terms of up to five years and maximum fines of $4,000 for anyone caught pirating trademarks registered in Taiwan.

Internationally-known trademarks not registered in Taiwan would also be protected, although it is not clear what standards would be used to determine what is and is not a "world-famous" mark. On conviction of copying such a mark, a person could receive up to three years in jail, up to six months' "reformative detention," and a fine of $2,150.

Raising the maximum sentence to five years' imprisonment from the present three years means that a convicted pirate will in future not be able to buy his way out of jail, as is now the case.

Taiwanese law at present allows for conversion of a jail term into a fine if the maximum sentence is less than three years and a person is sentenced to less than six months. The person must also show that spending time in jail would prove detrimental to either his profession or to a course of education.

This clause in Taiwan law has, in the past, allowed convicted counterfeiters to convert a six-month sentence to a fine of under $100, because judges in Taiwan have traditionally not looked on trademark piracy as a serious offence and have not been inclined to hand down stiff jail terms.

Because there have been few effective penalties, and because Taiwanese industry has grown increasingly sophisticated in terms of the variety and quality of goods it can produce, the country has earned itself the undesirable sobriquet of counterfeit capital of the world.

Other points in the proposed changes include:

- Expanding the definition of trademark infringement to include showing a mark on displays, advertising, or price lists. Currently, the definition includes only putting a mark on products or packaging.
- Prison terms of up to one year, or six months' reformative detention, and a fine of up to $750 for those selling, intending to sell, displaying, importing or exporting goods bearing counterfeited trademarks.
- Expansion of provisions that allow the holder of a locally registered mark to extend the validity of such registration.
- Providing protection for marks similar to those registered, rather than simply identical marks.
- Providing for confiscation of goods bearing marks found to be identical or similar to a mark owned by another.

China and U.S. seek agreement on textiles quota

BY TONY WALKER IN PEKING

CHINESE and U.S. textile negotiators meet in Peking this week to try to reach agreement on a three-year quota for China's exports to the U.S. But, according to a U.S. official in Peking, the two sides are still "miles apart."

China and the U.S. have already conducted three rounds of negotiations on a new accord. The old agreement, signed in 1979, expired at the end of 1982. The wrangle over textile quotas has the makings of an unseemly row and possibly Chinese retaliation against U.S. exports to China.

This week, a senior Chinese foreign trade official blamed the unsuccessful negotiations on the U.S. side and warned that proposed "unilateral" U.S. action to restrict Chinese imports would have serious consequences.

The U.S. has announced that it would impose unilateral restraints on Chinese textile imports by January 15 if the two sides fail to reach agreement.

The U.S. has told China it wants to restrict imports to much less than the about 6 per cent growth annually that the Chinese are demanding. U.S. textile negotiators have already reached agreement with other big Asian suppliers to hold growth in textile imports to about 1 per cent annually.

Chinese textiles account for about 10 per cent of those imported into the U.S., and the value of China's textile exports to the U.S. market has grown dramatically in the last few years.

In the first 10 months of this year, Chinese textile exports to the U.S. were worth about $750m (£474m) an increase of more than 30 per cent over the corresponding period of last year.

Disagreement between Chinese and U.S. textile negotiators also extends to categories of textiles to be restricted and to mechanisms for consultation should the U.S. side feel that particular Chinese products are posing a threat to locally produced items.

According to the unnamed senior Foreign Trade Ministry official, quoted by the official New China newsagency, China in the last round of negotiations—conducted late last year—showed "much flexibility."

The Chinese have been particularly angered by the U.S. announcement that it would act unilaterally if no agreement was reached. "While negotiations are still in progress, the U.S. side should not, and has no reason to impose unilateral restrictions on China's textile exports," the official said.

Chinese officials frequently point out that Sino-U.S. trade is running heavily in the U.S.'s favour.

Iraq hopes to buy weapons from France

By David Marsh in Paris

IRAQ will be seeking financial aid to buy French weapons during a five-day visit to Paris by Mr Tarek Aziz, the country's deputy Prime Minister, according to officials in Paris.

Baghdad, which ordered FFr 13bn (£1.1bn) worth of French armaments last year, has been one of France's most important industrial customers in the Middle East. But it has run into serious financial trouble during the long-running war with Iran, and is badly in need of foreign credit.

French support for Iraq in the conflict with its neighbour has already brought strong disapproval from Tehran. In November, Iran refused to receive France's nominated ambassador to Tehran in protest at Paris's policies.

Mr Aziz arrived on Monday night for his fifth trip to Paris since the war started in autumn 1980. During his visit, which will last until Saturday, he will see President Francois Mitterrand and a range of ministers.

Iraq is already believed to have 30 or more French Mirage F1 jets and 100 AMX-30 tanks in its fighting forces, as well as French Exocet missiles, anti-tank weapons and helicopters.

A contract for FFr 4bn worth of French artillery was signed last year, along with orders for further amounts of sophisticated weaponry. Total deals worth FFr 14.5bn were clinched in 1981—but payment for a large volume of the orders is still outstanding.

Baghdad is France's fifth biggest trade customer outside Europe and the U.S. Apart from the military field, other companies with sizeable interests in the country include Creusot-Loire, St Gobain and the CGE group, which recently signed a FFr 600m electrification contract in Baghdad.

Adding to the French Government's sensitivities about its close links with Iraq, the two countries are co-operating on the rebuilding of the Tamuz nuclear reactor destroyed by the Israelis in June 1981.

UK ready to offer India £100m of aid

By Paul Cheeseright, World Trade Editor

THE UK Government is prepared to offer India around £100m of aid to help British companies win a major portion of the £650m equipment orders likely to be placed for a new integrated steel plant at Daitari in Orissa state.

The offer of aid will be conveyed to the Indian Government by Mr Peter Rees, the Minister for Trade, who left London for New Delhi yesterday.

Trade officials would not specify the precise amount to be offered. But they said the Government is prepared to offer aid funds of the same order as those which were part of the financial package put together when Davy Corporation had within its grasp a turnkey contract for the plant.

Davy had a letter of intent for the plant, but this was not translated as expected into a £1.25bn contract for the construction of the plant. Since the check to Davy last May, the UK Government has been putting diplomatic support behind the efforts of British companies to win equipment orders.

The original Davy financial package contained a commitment for new aid of £100m. It also involved an export credit of £450m at subsidised interest rates. In recent months, however, commercial interest rates have become more closely aligned with those prevailing in the international guidelines governing such transactions.

Mr Rees's talks seem likely to push the talks the Indian Government has been having with potential suppliers from the technical to the financial level. If he makes the aid offer precise then he will be the first to talk money.

Technical negotiations with the Indian Government have been led by the British Steel Corporation, which is in competition with Japanese, Soviet and West German interests. The Indian Government is keeping construction supervision in its own hands.

Oslo faces pressure to protect offshore contracts

BY FAY GJESTER IN OSLO

NORWAY'S Government is facing conflicting pressures from special interest groups over the award of several large offshore contracts in the Heimdal gas field, in the Norwegian part of the North Sea.

The contracts, for six equipment modules, are worth a total of about NKr 500m (£43m) and bids to build them have been submitted by five Norwegian fabricators, all of which badly need the work if they are to avoid layoffs in the near future. But several foreign groups—in Britain, France and the Netherlands—have reportedly submitted more competitive tenders.

Leading Norwegian trade unionists want the Government to pressure Elf, operator company on the field, to overlook the price difference and let the work go to Norway.

As the same time, Mr Atle Gebsen, president of the Shipowners' Association, has warned that protectionist intervention could lead to retaliation.

The Government has stepped in once to secure a key Heimdal order for a Norwegian yard. The nine companies developing the field had planned to give the contract — for a platform deck frame — to the lowest bidder, a West German yard.

UK NEWS

Oil groups forced into new petrol price war

BY RAY DAFTER, ENERGY EDITOR

OIL COMPANIES in the UK are spending about £40m a month to support a new cut-price battle for petrol sales.

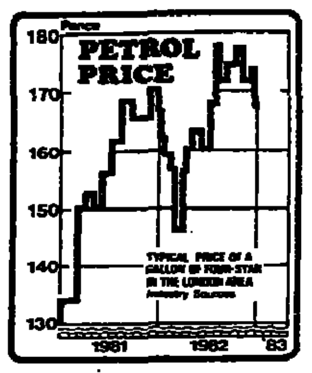
Discounts of up to 20p a gallon are being offered by petrol retailers in their fight to retain their share of a depressed oil products market. One major oil company, Mobil, has begun offering whisky tumblers to customers – a marketing ploy last used on a large scale a decade ago.

After intense competition for sales over the Christmas and New Year period, the average price of four-star petrol has been cut to about £1.71 a gallon, about 12p less than the scheduled price. A typical price in cities is between £1.67 and £1.69 a gallon. It is possible to find some garages charging as little as £1.61.

"It is horrible," the marketing manager of one leading oil company said. "There cannot be a company not losing money in this market. Everyone is bleeding."

The industry may soon attempt to reduce these losses in two ways.

The first approach is that refining and marketing companies are likely to increase their pressure for a reduction in crude oil prices. In the North Sea, British National Oil Corporation (BNOC) has won almost total acceptance for its plan to peg the reference price at $33.50 a barrel. But this may be short-lived.



British Petroleum indicated last night that it would be seeking a cut in North Sea prices on February 1 if there was no general improvement in the oil market in the meantime.

Other companies have also told BNOC that they want the right to reopen pricing negotiations before the end of the current contract period, March 31. The spot market price of the Forties Field reference crude is at present about $31 a barrel – $2.50 below the contract rate.

Four major U.S. oil companies – Exxon, Texaco, Mobil and Standard Oil of California – have also been pressing Saudi Arabia to trim its prices

The second approach is that, within the next few weeks, UK petrol retailers may try once more to raise pump prices to a higher base level. They tried seven times last year and each time prices were quickly eroded by market pressures.

Just over a month ago, companies raised prices by about 5p a gallon to between £1.78 and £1.83. One company said yesterday that it might attempt another 5p a gallon rise towards the end of January.

Virtually all Britain's retailing outlets are now being supported by oil company discounts. The only exceptions are garages in remote areas which are largely free from competition.

British Petroleum – one of the market leaders with its BP and National brands – said it was spending £8m a month in support to dealers. Shell's bill for dealer support is running at £1.75m a week.

Mobil said it was losing between £8m and £10m a month on its UK refining and marketing operations.

Lloyd's faces claim for $550m

By John Moore, City Correspondent

A MULTI-MILLION dollar law suit begins this week in the U.S. courts against Lloyd's of London insurance underwriters.

The action has been brought by Federal Leasing, a computer leasing company which is claiming up to $550m in compensatory and punitive damages on computer leasing insurance business arranged with Lloyd's underwriters.

Federal, which has been pursuing its legal action against Lloyd's since 1979, is claiming compensatory damages alleging that its business has suffered because of Lloyd's failure to pay up immediately on claims falling due on its computer leasing insurance policies.

Lloyd's underwriters already face losses of $388m from its computer leasing insurance scheme, one of the largest series of losses on any one class of business in Lloyd's 300-year history.

The Lloyd's computer leasing insurance scheme protected leasing companies against customers terminating leases on computers which they had hired before the contract date.

If the customers terminated their leases early, the leasing companies could claim on their insurances and cover their obligations to their financial backers.

Like many leasing companies, Federal used its Lloyd's computer policy as collateral for loans, often with major U.S. financial institutions. Federal secured $130m of insurances arranged at Lloyd's against loans advanced from banks and institutions to finance its operations in the late 1970s. Federal's own net worth stood at $2m in 1977.

When new IBM models came on to the market rapidly in 1978, leasing companies, such as Federal, found that customers traded in their existing models earlier than the contract date. So the leasing companies claimed on their insurances.

The court case arising from the Federal litigation is expected to last up to two months.

UK INVESTMENT IDEA PUT TO TOKYO MINISTER

Video offer to Japanese

BY ALAIN CASS AND PAUL CHEESERIGHT

JAPAN should manufacture video tape recorders (VTRs) in the UK, Lord Cockfield, the Trade Secretary, told Mr Shintaro Abe, the Japanese Foreign Minister yesterday.

More than 90 per cent of the VTRs sold in the UK are made in Japan. Only JVC, among the Japanese makers, has a direct presence in the UK: its products are assembled by Thorn-EMI.

Lord Cockfield's proposal was made during talks in London in the context of a discussion with Mr Abe about Japanese investment in the UK. The British VTR market would be worth about £400m this year, Lord Cockfield said.

But specific ideas about co-operation between UK and Japanese companies leading to Japanese investment in the UK are expected to be taken up by Mr Patrick Jenkin, the Industry Secretary, when he visits Tokyo later this month.

Mr Jenkin is likely to raise again the prospect of Nissan's establishing a UK car plant, a project the company has recently appeared reluctant to pursue.

Mr Abe, who was Minister for Trade and Industry in the previous Japanese Government, is thought to favour Japanese foreign investment as a means of heading off protectionist pressures.

He said in an interview yesterday that Japan had made "very strong representations" to some European countries about "some very unfortunate tendencies" towards protectionism.

Unless present moves towards protectionism in Europe and the U.S. were reversed, the international economic situation would become "very difficult," he added.

In his talks with Lord Cockfield, however, Mr Abe hinted that further Japanese export restraints might also be used to head off protectionism. He said he hoped industry-to-industry talks between Japanese and UK machine tool and fork-lift truck manufacturers would be successful.

In both cases, the British industry has been supported by the UK Government in seeking a reduction in Japanese sales on the UK market.

● The Labour and Social Democratic parties yesterday renewed pressure for the resignation of Lord Cockfield as Trade Secretary.

This follows the resignation of Professor Andrew Bain from the Monopolies Commission in protest at the Government's controversial decision to allow Charter Consolidated to bid for Anderson Strathclyde, the Scottish engineering company. Lord Cockfield disclosed that he owned shares in Charter, but said he had not dealt in them since becoming a minister.

Money supply growth rate slows down

By Robin Pauley

ESTIMATES of the money supply figures for December, published yesterday by the Bank of England, show that Sterling M3, the broadest measure, rose by only ½ per cent.

The rate of increase on an annualised basis since February of last year fell back to 11 per cent, compared with 11.4 per cent in the period up to November.

All the monetary aggregates have a growth target range of between 8 and 12 per cent, and City of London analysts had been expecting M3 to breach its upper limit in December.

One reason for the restraint appears to have been a low level of lending. Banks estimate their loans for the month at about £900m to £1bn, against an average of £1.5bn over the previous six months.

M1, the narrow measure is estimated to have grown by 1 per cent (annualised rate of 11½ per cent), while PSL 2, the broad measure of private sector liquidity grew by ½ per cent (annualised rate of 8¾ per cent).

Banks report that while loan demand from the personal and services sector remains buoyant, demand from industry is still low.

Architects to sue over gallery design verdict

BY GARETH GRIFFITHS

ONE OF the three finalists in the competition to design an extension to the National Gallery, in Trafalgar Square, London, has started to prepare legal proceedings against Mr Michael Heseltine, the Environment Secretary, over the way in which he ran the competition.

The action is being considered by the Chicago-based architects, Skidmore, Owings and Merrill (SOM), and London Land, the property development company that commissioned the design. It received strong support from the National Gallery's trustees, and SOM said it was the only competitor that met the National Gallery's brief.

Mr Heseltine announced on December 21 that the British architects, Ahrends, Burton and Kiralek (ABK), had been chosen to design the extension. The report on the competition, however, showed that the unanimity in choosing the ABK design was achieved to break the deadlock of conflicting views on the assessors' panel.

London Land and SOM, through their solicitors, Iliffes and Freshfields, have instructed Mr Gavin Lightman, QC, to prepare legal proceedings against the Environment Secretary. Iliffes and Freshfields has advised London Land and SOM that they have substantial cause for complaint about the way Mr Heseltine came to a decision in breach of the rules of the competition.

In a letter to the Environment Secretary, Iliffes says: "There has been no selection as required of a winning entry, but instead it has been decided that one competitor should be selected to prepare a new design in co-operation with the National Gallery."

"If our clients had any thought that the conduct of the competition would be manipulated in this way, they would not have participated and, indeed, we imagine that this would have been the position of at least a large number of the other competitors."

Mr Martyn Grogan, a director of London Land, said last night that his company and SOM would be looking for compensation of a minimum equal to the cost of preparing the competition entry, $500,000 (£310,000).

Seventy-nine firms of architects, both British and international, competed for the prize of designing the National Gallery extension.

Ford and BL miss 1982 sales targets

By Kenneth Gooding, Motor Industry Correspondent

BL and Ford missed their car market share targets for 1982, according to statistics circulating within the motor industry and due for publication next week.

A year ago, BL was hoping for a 1982 market share of at least 20 per cent. Last autumn the target was downgraded to 18 per cent. However, the company ended 1982 with a share of about 17.8 per cent, compared with 19.2 per cent for 1981.

Ford's prediction early in 1982 was that it would have between 32 and 34 per cent of available new car sales. It has ended the year with 30.5 per cent, down slightly from the 30.94 per cent in 1981.

By far the outstanding progress in 1982 was made by General Motors whose combined Vauxhall-Opel franchise ended the year with a market share of 11.6 per cent compared with only 8.56 per cent for 1981.

GM wanted 11 per cent for the year and exceeded this projection because of the success of the new front-wheel-drive "J" car, sold in the UK as the Vauxhall Cavalier.

Imports took 57 per cent of the 1982 new car market, returning to the record level reached in 1980. The main influence, which conforms to the pattern of recent years, was the number of "captive" imports by Ford and General Motors from their Continental assembly plants.

Japanese makers kept to their informal understanding with the UK industry and restricted their market share to a fraction under 11 per cent, the same as 1981. Datsun (UK), which imports cars from Nissan of Japan, continued to hold 5.9 per cent of the market.

West Germany's Volkswagen-Audi group moved level with Datsun, also with 5.9 per cent – up from 5.4 per cent in 1981.

Other importers to make progress included Volvo, whose cars are handled by a Lex group subsidiary, up from 3 per cent in 1981 to 3.3 per cent.

However, sales by the Peugeot-Citroën-Talbot group, which has some UK assembly operations, fell from 7.64 per cent to 6.4 per cent of the market; Renault's penetration dropped from 4.85 to 4.1 per cent.

Forecasts 1983

All eyes on the U.S. economy

CARS
KENNETH GOODING

"THE FUTURE is not the same as it used to be," says Hans-Jurgen Hinrichs, with a wry smile. He is the board member responsible for Daimler-Benz's world-wide sales and this is his way of reflecting the uncertainties facing the motor industry and the difficulty anyone has in forecasting even the immediate future.

In the baldest terms, the industry needs car demand to improve so that it can get its prices up to more respectable levels because it needs the extra cash to cover its huge investment bill.

However, the outlook on the demand front is not particularly promising. Much depends on how the U.S. economy behaves this year.

The U.S. new car market remained the world's largest last year even though demand plummeted to depths not seen since the 1950s. Around 8m new cars were sold, roughly 30 per cent of the world-wide total.

The American market is also one on which the Japanese have come to rely on heavily to prop up their export efforts. The Japanese exported half their output of roughly 6.9m cars last year and about 1.6m of them went to the U.S.

The general feeling about the U.S. market is that it couldn't possibly get any worse. General Motors makes a habit of producing optimistic noises at about this time of year and chairman Roger Smith is suitably enthusiastic. "I predict that the auto industry will play a pivotal role in the expansion of the U.S. economy. The annual sales rate has the potential of approaching 14m cars and trucks by the end of the 1983 model year (September) and higher in 1984."

Ford, too, hopes for a 10 to 15 per cent rise in car sales in the States this year "with a bigger percentage going to the domestic producers."

And Dr Carl Hahn, chairman of VAG, the Volkswagen-Audi group, maintains: "The U.S. is at the point where we can look with some optimism at the market."

He is less sanguine about South America, where in recent years car markets have been growing at a much faster rate than those elsewhere in the world.

"Economic growth there was 6 to 8 per cent a year. Now we can expect zero growth for a number of years," Dr Hahn points out.

As for the other major markets, Toyota's view is that car sales in Japan, the second-largest national market, this year will improve only slightly, from 2.9m to around 3m.

General Motors' forecasters reckon that demand in Western Europe will edge up equally reluctantly from 9.9m to 10.2m. Within that overall total, GM predicts that sales in the UK (up from 1.53m to 1.65m) and West Germany (up from 2.14m to 2.31m) will improve this year, those in Italy will stand still at around 1.71m, while those in France are expected to ease back from 2m to 1.94m.

So if forecasts about a reasonable rise in world car output this year are to be realised, that significant recovery in the U.S. must be achieved. Mr Geoff Skipper, until recently manager of auto industry services at the London-based research group, DRI Europe, estimates that, following a 5 per cent fall from the 1981 level to around 26.5m cars last year, there could be a recovery of 11 per cent to 27.8m in world-wide car output this year as markets respond to deferred replacement demand, lower inflation rates, oil price stability and improved consumer confidence.

Considering that world car production reached a peak of 31.5m in 1978, since when further substantial increases in capacity have been made, there is nothing in the DRI forecast to suggest that competition this year will ease and with it the financial pressures on the major manufacturers.

Yet the industry is in the middle of a huge investment programme. European car makers estimate that they need to spend $80bn between 1980 and 1987. The U.S. producers say they intend to spend $70bn between 1980 and 1985 or "more than it cost to put a man on the moon."

Mr Ray Horrocks, chairman of BL Cars, is convinced that the western producers will have to cut back on product development because of cash shortages.

"At the same time the Japanese are speeding up the introduction of new cars. So I would expect many more co-operative deals between the western countries and the Japanese."

But hardly anyone in the industry looks for any major mergers among the remaining companies.

As VW's Dr Hahn says: "I don't believe the structure of the auto industry allows for any further concentration. There are too many Japanese companies, but they have learned to be competitive. The U.S. has already gone through its consolidation process. And the rest of the companies don't easily lend themselves to mergers. In Europe all the manufacturers are "national," based in their own particular country. Cross-frontier mergers have been tried and have not been happy experiences."

Dr Hahn suggests that what will probably happen is that manufacturers will begin to exchange components on a world-wide basis — either between subsidiaries in different countries (as is the case already with General Motors and Ford) or between rival companies. However, "the number of components suitable for this type of arrangement is very limited."

And he makes another very significant point. "Forty to 60 per cent of the cost of a car is bought-in components. So when we are trying to get costs down we must lok in that direction. There is great scope for more standardisation, better scheduling and so on."

This implies that the pressure on the component makers, which already has produced job losses throughout Europe and the U.S., will continue.

It seems likely that the Japanese will continue their restraint on car shipments to major markets this year—the "gentlemen's agreement" with the UK industry has already been settled and the U.S. manufacturers seem sure that the "voluntary" restrictions on exports to that market will be extended.

Toyota expects its exports this year to fall slightly to 1.65m—the second year of decline after last year's 3 per cent fall from 1981 to 1.66m. Nissan suggests it can recover some lost ground in exports. Last year it suffered a 6.4 per cent fall to 1.35m but in 1983 it predicts a 1.5 per cent recovery to 1.37m.

As Mr Skipper points out, the Japanese face barriers everywhere—from quotas in Europe and the U.S. to bans on built-up car imports in the developing countries. This is forcing the Japanese to send out more car kits for local assembly—and adds considerably to their costs.

Consequently, the Japanese, as much as anybody, will benefit when demand improves in the western markets.

FORECASTS OF CAR PRODUCTION 1983
(millions)

	Economist Intelligence Unit 1982 (est.)	Economist Intelligence Unit 1983	DRI Europe 1983	Automotive Research & Management 1983
U.S.	5.3	6.6	7.22*	5.8
Canada	0.82	0.85	—	0.8
W. Germany	3.65	3.8	3.82	3.95
France	2.8	2.95	2.61	2.95
Italy	1.3	1.4	1.42	1.3
Japan	6.9	6.9	7.02	7.1
Spain	0.95	0.99	1.06	1.0
UK	0.88	0.965	0.87	0.87

* Includes Canada

A bleak and bumpy ride

AEROSPACE
MICHAEL DONNE

WITH THE world's airlines collectively incurring losses of more than $2bn in 1982, and a comparable loss forecast for the coming year, the immediate outlook on the civil side of the world's aerospace industries remains grim.

Through 1983, those manufacturers with some kind of military and space business will continue to rely upon them to provide the profits that their civil aircraft manufacturing activities cannot produce. On the military side, activity remains buoyant, with a steady demand, particularly from countries of the Third World, and especially for light tactical combat aircraft and missiles of all kinds.

The space segment of aerospace manufacturing, especially for communications satellites and other "direct applications" satellites for weather forecasting and Earth resources monitoring, also remains strong.

There are many in the world aerospace industries who believe that activity in space hardware manufacturing will expand at an accelerating rate through to the end of this century and beyond, and that eventually it may even come to rival commercial aviation in the magnitude of financial rewards available.

It is on the civil side of the industry world-wide that conditions remain bleak. During the past year, the inflow of new orders from the world's financially beleaguered airlines was at its lowest ebb for many years, amounting to 223 jet airliners of all kinds against 332 in 1981.

Boeing, the world's biggest builder of jet airliners, won new orders for only 95 jets against 201. Lockheed won no new orders at all for the TriStar, largely because it had announced its decision earlier to take that aircraft out of production by 1984. Airbus Industrie, the European rival to the big U.S. manufacturers, won orders for only 17 aircraft, against 45 last year.

Best performer of all was McDonnell Douglas. Despite the lack of new sales for the civil DC-10 (the production line is, in effect, being kept open by the KC-10 tanker-transport for the U.S. Air Force), the short-to-medium range DC-9 Super 80 twin-jet found a major niche for itself in world markets, and with a late autumn rally that added at least another 60 aircraft to the books, the company closed the year with a total of 78 new orders for that aircraft.

Mr S. N. McDonnell, chairman of McDonnell Douglas, said that the company was basing its planning on the expectation that an economic recovery would start in 1983. "We believe a trend in this direction is already developing," he said. "The market, as usual, has shown the way. In terms of sales and leasing, the Super 80 was the most sought-after jetliner in 1982, as nine airlines announced plans to acquire 78 of those aircraft".

In Mr McDonnell's view, the original enthusiasm for an entirely new 150-seater airliner has waned. "The acquisition price would be high, and there have been debates on whether the overall package would be as advantageous for recession-hit carriers at this time. From the example of the Super 80, it is apparent that some leading carriers have opted for existing aircraft that bring nearly all the operating benefits but at a lower purchase price.

"McDonnell Douglas, however, will certainly continue to work on new aircraft designs. We must be ready for whatever way the market turns. Other manufacturers, no doubt, will do the same, but all these designs may stay on paper for some years as more carriers go for more realistic options". McDonnell Douglas stood ready to supply those options.

For the coming year, McDonnell Douglas and all the other makers will continue to live substantially off their backlogs of orders. Boeing, for example, still has about 120 of the new 757s to deliver, as well as about 150 767s and nearly 200 737s, which will keep its factories busy through 1983 and beyond.

But if the recession does not end soon, bringing with it a revival of world airlines' fortunes and a spate of new orders, the industry will face a rundown in 1984 and thereafter.

In the UK, British Aerospace is trying hard to sell its new 146 four-engined short-range regional jet airliner. With some £350m of its own money invested, and with firm orders for only 12 aircraft so far, and another 14 on option, BAe's need for new contracts for that aircraft in 1983 is paramount. Without them, current plans for production will have to be trimmed back. BAe remains optimistic, however, following a late-1982 sales tour with the aircraft in the Far East, South-East Asia and Australasia.

In Western Europe, Airbus Industrie, building the A-300 and A-310 twin-engined wide-bodied jets, continues to be busy, and is still raising its production rate a little in 1983 from 4.8 aircraft to five a month to meet commitments. But at the same time, the group is conscious of the need for more orders to sustain this output rate into the mid to late-1980s, and like others it is stepping up its sales campaigns in a bid to convince reluctant airlines that now is the time to buy, in preparation for the economic recovery when it comes.

Interest in new types of airliner is virtually nil

All the major manufacturers remain convinced that this recovery will emerge. Boeing, for example, recently updated its long-term forecasts for jet airliner sales through to 1993, and although it reduced the overall number a little, it still expressed confidence that a total of 3,674 new jets, worth some $119bn, will be ordered over the next decade.

Similarly, on the engine front, Pratt & Whitney, the world's biggest builder of jet engines, believes in long-term growth, which is why it is spending several hundred million dollars on developing a new "big thrust" jet engine, the PW-4000 of 48,000 lb to 60,000 lb thrust, to replace its existing JT-9D family of engines which have been in service since 1969

This new engine will pose a severe dilemma for Rolls-Royce, which must now consider what to do with its own RB-211-524 series — either to continue squeezing improvements in fuel consumption from it, or to develop an entirely new powerplant to compete with the PW-4000 in the market for such wide-bodied jets as the Boeing 747 Jumbo, the 767 and the Airbus A-300 and A-310.

What has become markedly evident in recent months is the virtual collapse of airline interest in the development of entirely new types of airliners, which has forced the manufacturers to postpone plans for them. The most widely publicised prospective new venture, a 150-seater (either an A-320 from Airbus Industrie, a "7 Dash 7" from Boeing or a D-3300 from McDonnell Douglas) has been pushed back substantially in time.

The early 1990s is now being contemplated as a likely time for it to be brought into service, while there are even some manufacturers which believe that it will never materialise at all. Instead, the makers are all now looking at derivatives of existing models, in a bid to save development cash and please the market.

Boeing, for example, already developing its improved version of the short-range 737, is also studying the "extended range" version of the 767 semi-wide-bodied jet. In Europe, Airbus Industrie is looking much more closely at developing improved versions of the A-300 and A-310, and it is possible that one or more of these derivatives will be given priority over any prospective 150-seater.

In the UK, British Aerospace, which has a 20 per cent stake in Airbus, believes this is the right course to follow. Sir Austin Pearce, chairman, stresses strongly that making the best of what one already has, while at the same time trying to get costs down, are the two priorities, and that development of an expensive new venture must come later.

The FT is publishing a series of articles this week on the international outlook for key industrial sectors.

TECHNOLOGY

EDITED BY ALAN CANE

VIDEO AND FILM BY JOHN CHITTOCK

Three issues will dominate the growth of the industry this year

In the past three years the technology of the new media has enchanted and attracted City investors. Although some have lost money through ill-considered decisions, just as many are kicking themselves for having doubted that 1982 would be the year of video.

This year the prospect of further growth inescapable, despite the recession. The video industry alone is far from reaching a plateau, even if the spectacular growth rates of the past two years (turnover doubling) will not be maintained. Other issues also arise in 1983 to bedazzle the potential investor in new media—such as cable television, videotex, programme production, and many of the developing service industries which are being fuelled by the new media.

The coming year will be almost certainly dominated by three issues. Cable television inevitably is one (will it be profitable and will the rules of the game introduce into this business too much risk for investors?). More confusing is the volatile struggle over video discs (are they going to establish a substantial market share, when, and in which rival formats?). Less spectacular, because it is not new, is the programme production industry—now faced with a fresh lease of life.

Upheavals

While the cynics dismiss the video disc — thinking of it purely in terms of Hollywood movies — it is quietly establishing itself despite the commercial upheavals of Philips, Thorn EMI and others. There is, for example, a growing activity in the linking of video discs to computers — with British and North American universities, institutions and even industrial sponsors now producing material of this type.

Cable television still looks a long shot for many investors. Already there are signs that the emphasis given to home entertainment as a carrot for investors may be redirected to more realistic targets — with the less indefensible virtues of cable at last coming to the fore (eg, information services, education, interactive functions, full channel teletext). At least financial backers will then have a better idea of what it really is that they are backing — no longer a Hollywood dream but a service of considerable intellectual proportions.

Video itself in 1983 will become less of a stand alone business. Already more companies now in video are beginning to discover that the industry logically takes them into other areas—such as broadcast television, advertising, education, even the feature film business. Those coming new to video this year will thus need to recognise a need for experience and activity which is wide-ranging and adaptable.

Hopes

The see-sawing fortunes of the video disc are less easy to predict. The last three years have seen early hopes fall, as equipment sales in America failed to match expectations; then rise as consumers started to buy twice, even three times as many discs per machine than originally anticipated; then fall again as the most enlightened company in the field—Thorn EMI—made a shock decision to shelve its support for JVC's VHD system (resulting in a £20m write-off).

That bad news stimulated the flagging spirits of Philips (whose rival player, they now try to claim, influenced the decision—which perhaps it did through its poor marketing performance). The VHD news has also given RCA a boost in the U.S., where they had started a war of nerves about plans to come to Europe in 1983 with their competing SelectaVision system.

After the VHD decision, RCA are now reported to have allocated £5m for the 1983 European advertising launch; but their need for a consumer-strong partner in Europe still represents a problem—it is unlikely to be ITT as rumoured.

Yet the Thorn EMI news may be not quite as bad as at first it seemed. JVC have since announced that they will proceed, regardless, with the launch of VHD in Japan this spring—supported by Matsushita. This decision infers confidence in the final intentions of Thorn EMI, which may be having its own war of nerves with its Japanese partners.

Running through these numerous developments is a thread, common to all; programme production. For investors, the hardware opportunities in cable TV and video are few—and closely tied to the relatively few manufacturers who dominate this business. But all of these media have an insatiable appetite for programming—which even at a low £30,000 per hour production cost could multiply into an annual turnover reaching the billions.

Apart from cable TV, which can easily require 25 hours a week of substantial new programmes, home video is already turning over at least 12m hours of pre-recording per year—a small percentage of which is new material. And the UK industrial and educational sector is possibly producing well over 8,000 hours per year of new programming.

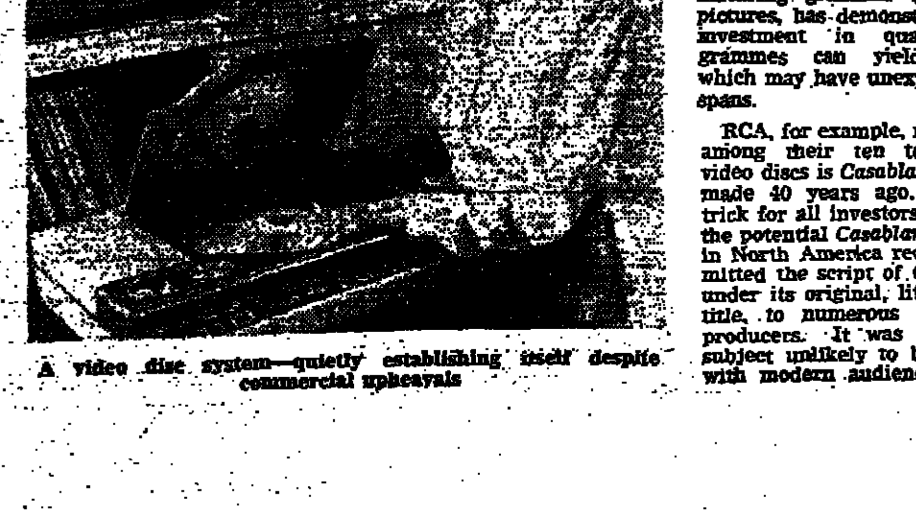
Modest

With this exponential demand in production resources, people will provide the new investment opportunity. Programme-making is a labour-intensive business, with 1,000 man hours easily going into quite a modest one-hour production. Additionally, the extensive technical resources behind each production generate a continuous flow of work for equipment maintenance.

So far there is no serious shortage of experienced creative talent, although engineers are in enough demand for at least two industry-sponsored training schemes to be now in preparation. But 1983 may witness a rising interest in production, with consequential demands all round for people, money and resources.

In the past, there has been a tendency to regard investment in films and programmes as quick turnover in a perishable commodity; three years amortisation has been considered long enough. But video, and the maturing grammar of moving pictures, has demonstrated that investment in quality programmes can yield returns which may have unexpected life spans.

RCA, for example, report that among their ten top selling video discs is *Casablanca*, a film made 40 years ago. But the trick for all investors is to spot the potential *Casablanca*. A wag in North America recently submitted the script of *Casablanca* under its original, little known title, to numerous Hollywood producers. It was rejected—subject unlikely to be popular with modern audiences.

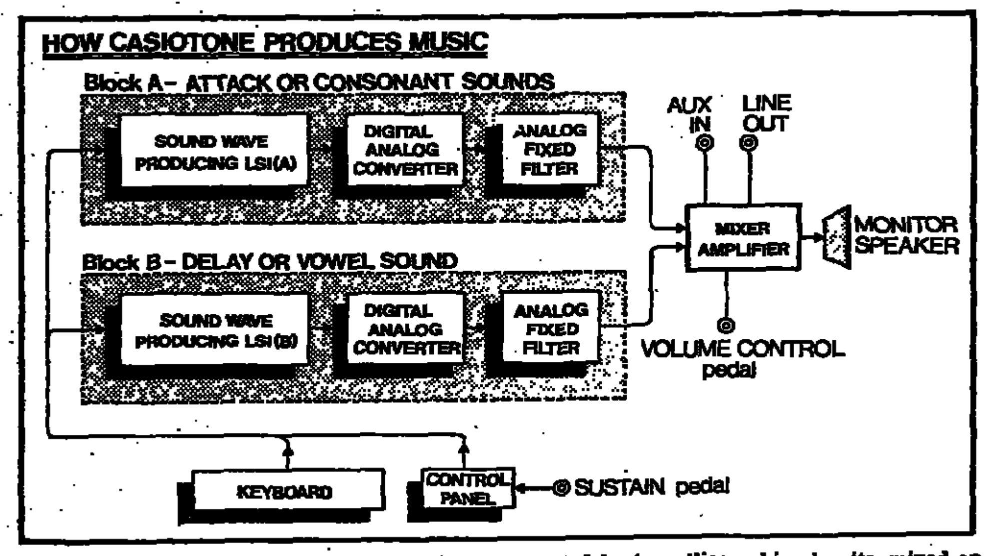


A video disc system—quietly establishing itself despite commercial upheavals

ELECTRONIC MUSIC KEYBOARDS

Casio to intensify its attack on UK market

BY ELAINE WILLIAMS



The attack and decay parts of a musical note are created by two silicon chip circuits, mixed on amplifier before feeding to the loudspeaker

THIS MONTH Casio, the Japanese electronics group, will intensify its attack on the UK electronic music keyboards market.

It is to introduce six new models aimed at both beginners and professional keyboard players. Ironically this sector of the music instrument industry has been buoyant while more traditional instrument sales are very depressed.

Most of Casio's new range of keyboard instruments are direct replacements—but with added sophistication—for the first models it introduced two years ago.

Casio entered the music instrument market in 1980 and now the company believes that it has a major share of the UK market against its main competitor, Yamaha. The UK keyboards market was worth around £20m in 1982.

According to Mr Dave Caulfield, sales manager of the Casiotone Division, UK sales of keyboards will be around £8.2m for 1982. This has exceeded the company's expectations.

In early 1982, Casio introduced the CT 701 electronic keyboard, which was able, with the aid of a light pen, to read bar coded music. This was believed to be the first keyboard instrument of its type with such a facility and this could be used as a teaching aid for beginners.

It will be replaced with a four octave version, the CT-501, which can provide 20 pre-set sounds and 16 rhythm patterns.

Each row of stripes in the bar coded music gives the instrument different information. One set provides the note sequence, another the speed and the third set indicates the chord accompaniment.

With the new bar code instrument, as with its predecessor, the instrument can play back automatically or be used to guide a novice through the tune by illuminating small light emitting diodes, LEDs, positioned over each note.

No sound will be made if the wrong note is pressed out of sequence, so the player has to hit the correct note in order to finish the tune.

But the instrument has all the features of a conventional electronic music keyboard.

Casio's cheapest keyboard in the new range is around £80 and its most sophisticated is around £400. The decreasing cost of electronics and its size means that Casio can incorporate more sophistication into inexpensive instruments.

Casio says that its approach to producing sound electronically is different from those of synthesiser or organ manufacturers. The heart of all its keyboards are two large scale integrated circuits which split sound generation into two parts.

Like the spoken word, a musical note starts with a consonant—or attack phrase—and develops to a vowel, or decay phase. In addition, the pitch, tone and harmonics have to be analysed.

Casio's method of producing sounds electronically is based on digitising all the elements required to make a note and store this information in a large electronic memory.

In this form, the various components can be mixed to produce piano, harpsichord and a host of other instrument sounds, in a very natural way.

Casio has been going through a period of expansion and diversification over the past two years away from its traditional calculator and watch products.

In mid-December, for example, it announced the world's smallest black and white televisions using a liquid crystal screen which will be launched in the middle of this year. The company also has a broad range of personal computers on the market.

Additives

Water treatment

Ciba-Geigy's Industrial Chemicals Division has introduced two new additives for water treatment—an algicides Belclene 323 and Belclene 500 for corrosion inhibition.

The company says that the algae inhibitor is effective at low concentration and is compatible with conventional scale and corrosion inhibitors. More information on both additives are available on 061-872 2323.

Welding

Control unit

AN ENERGY control unit for use during ultrasonic welding to maintain a constant energy load has been developed by Bielomatik (01-761 1211).

The unit, which is compatible with most commercially available ultrasonic welding systems, can have pre-selected loads for applications which are set via decade switches.

Rediffusion and cable

IN a review article published on this page yesterday it was inadvertently stated that Rediffusion is a proponent of "tree and branch" technology for future broadband cabling of Britain's homes and business premises.

Rediffusion has asked us to make it clear that it has long recommended "switched star," the system also favoured by BT, its suppliers and the cable industry.

In fact, Rediffusion holds some of the original patents covering switched star systems, of which it claims to be the leading proponent in the UK.

The decline of the company creche

BY ROSEMARY BROWN

STAN COWAN saw the jobs crisis looming in 1976 when several of his teddy bears were suddenly made redundant. Coming after two bonanza years, when his Kindergartens for Commerce enterprise had been managing 14 company nurseries, the loss of a couple of contracts appeared simply to be an ordinary commercial hiccup. Certainly on the evidence there was nothing to suggest that Cowan's small setback was a stark pointer to national trends, heralding the virtual demise of company creches in the UK.

Indeed, all the facts pointed in the reverse direction. More married women were joining the workforce annually. The recent Equal Pay and Sex Discrimination Acts had helped to focus attention on the dearth of child-care facilities that catered for working mothers. In the wake of the raising of the school-leaving age, many companies were affected by labour shortages—especially of factory staff. Despite Cowan's experience, in 1976 the number of registered work-place nurseries stood at the record figure of 82.

Equally pertinent, the increase in provision could not be tagged as either freakish or fashionable. The growth of company creches, far from being a trendy response to the equality legislation, had in fact gradually been building up over 20 or more years. As early as the 1950s, at least three companies —including John Bright (textiles), Mentmore Manufacturing (writing instruments and plastic mouldings) and Laird Portch (skirts)—had already blazed the trail; and while the start of the boom proper dated from about 1970, a whole clutch of employers—from Pye Telecommunications in Cambridge to Wye Fruit in Herefordshire—had taken the initiative back in the mid-1960s.

In the heyday of creches, the list read like a roll-call of the corporate great and the good. There were Jeyes, United Biscuits, Reed International, Barclays Bank, the Inland Revenue, B.B.C., and Gossard, plus a host of other household as well as smaller company names, extending from Scotland to the South West.

Most creches provided youngsters with at least one proper meal and sometimes also breakfast. Parents contributed to the running costs. All nurseries were heavily subsidised with most employers picking up 50 per cent or more of the bill.

Altruism, however, was not the objective. Whatever the other claims, such as "good company image," the motive for the overwhelming majority of company nurseries was as an aid to female recruitment—in particular for manual occupations. Many firms in fact limited creche places to these, or other specific categories of staff.

Gossard, the foundation garment manufacturer, for example, only accepted children of its *part-time workers*. Church, the Northampton shoe company, originally restricted enrolment to machinists. United Biscuits allowed places exclusively for new recruits at its Great West Road factory in suburban London, because of the urgency to fill vacancies in what was a very competitive area for staff.

Waiting lists

As a recruitment aid, creches undoubtedly succeeded. Looking back, many companies tell how in place of shortages, they rapidly acquired waiting lists for openings.

Among other gains, some companies, but not all, maintained that a creche reduced staff turnover. Most claimed some public relations benefits and William Hollins, a textile company near Nottingham, stoutly declares even today that the creche is "cost-effective" as a means of attracting back to the company expensively trained operatives who leave to start a family.

Against these attributes, a negative point raised was that once the nursery was full it could no longer serve as recruitment bait, so effectively became "just a fringe benefit for some." Another frequently mentioned drawback was the incidence of epidemics of chicken pox and the like, resulting in a sudden exodus of mothers. Even so, most personnel managers rated their creche as a definite asset, not least—as several put it—for "giving the company a human face."

Yet, for all the real enthusiasm, only a handful of company nurseries remain. Kindergartens for Commerce, from previously managing 14, is today left with just one: for Mayhew, a chicken processor, near Uckfield. Kiddycare no longer has any corporate clients. Over the past three or four years, many own company-run nurseries have also closed.

So what has gone wrong?

Managers forced to trim their budgets during the recession could conclude that when difficult choices have to be made, the expense of running a nursery is an easily dispensable extra. But, if there were an element of defining spending priorities, it rarely, if ever, featured as the prime cause.

Instead, three very different explanations were given. To start with the obvious: some nurseries have disappeared either because the company itself has ceased trading or because, as in the case of United Biscuits, the factory to which it was attached has been shut.

A second, pragmatic, reason which has accounted for the loss of several nurseries, including those of Gossard and Barclays Bank, is due to a change in recruitment policy. Whereas the object of the Gossard creche at Leighton Buzzard was to attract part-timers, today the factory only employs full-time workers. Likewise, Barclays in Northampton has shifted from engaging clerical staff of all ages, including a large contingent of married women, in favour of school-leaver recruitment. Consequently the nurseries ceased to have any effective purpose.

If this holds no surprises, the oft-repeated explanation—that closure of a nursery was forced by lack of demand—sounds distinctly far-fetched. Yet company statistics highlight a different reality.

Take Jeyes. When its kindergarten was closed in 1980, only six of the 50 places were filled. Similarly, when Church sorrowfully shut its nursery after nearly 20 years in 1979, only three children were attending—though actual capacity was 35.

Both companies, especially Church, find the situation odd. Unlike other companies where staff cuts were a factor in closing creches, their respective labour-forces have hardly changed—either in numbers or in profile. Nor, as is sometimes suggested, could fees have been the crux. While Jeyes was charging £9 weekly (about average), at Church it was a token £1.50 without lunch.

Glyn Genin

The severe cutback in company creches has hit the likes of Kindergartens for Commerce; from running 82 nurseries in 1976, it now runs just one—at Mayhew, the Sussex chicken-processor

Jeyes believes (notwithstanding the fact that it now has another nursery in Thetford) that maybe the increase in the proportion of shift work at its factory resulted in parents choosing different shifts, so in effect "sharing the work and the child care." The causes, however, clearly bite deeper than local conditions

A similar saga of company goodwill versus declining take up of places was to be found among three surviving nurseries —*Mayhew in Sussex*, *William* Hollins near Nottingham and Platignum in Stevenage.

Mayhew, with current capacity for 24 (formerly 32), has just 17 children on the register. "The nursery is part of a package in terms of caring for our staff. As benefit, we have 17 happy mothers," a spokesman asserted robustly. It is considerably more than can be claimed by Platignum, where today five youngsters are to be found in a nursery once catering for 70. *Capacity has now* been reduced to 40, with the surplus places offered to the public, as at a private nursery school.

The British experience is not unique. In France work-place creches, which by definition cater for under-threes, have also largely failed.

In West Germany, the idea never caught on. There are no statistics but the assumption, according to the Ministry for Family Affairs, is that the number has never been more than minute.

In the U.S. too, child care has never rated highly as a company concern. However, a recent tax code revision in the States freeing employees from paying income tax on child care benefits is expected to trigger a revival of interest, fuelled by pressure from graduate women.

Among optimists, the belief is that this same group will *spearhead the campaign to get* creches back on the agenda in the UK.

If unemployment were not above 3m, if more creches accepted under-twos, if the extra staffing ratio for infants were not so prohibitively expensive, if there were tax concessions as in the States, if there were more female managers . . . creches might indeed make a comeback. As it is, Stan Cowan's teddy bears look like remaining redundant.

Rosemary Brown is the author of a Thomas Coram Foundation survey on workplace nurseries.

A year to contemplate the infinite choices

David White explains the leave of absence of Lafarge's chairman

"HE IS not a visionary, but someone who prepares a long time in advance." That is how a colleague explains the unorthodox decision of Olivier Lecerf to stop being chairman of one of France's fastest-growing industrial concerns for a year while he puts on his thinking cap.

At the start of the New Year, Lecerf swopped titles with one of his vice-chairmen at Lafarge Coppée, the $2bn-plus-a-year cement group. Nothing to be surprised about, say the people around him. They had known about it all last year. Indeed, Lecerf has been telling people outside the group for longer than that about his scheme to do something of the sort. The trouble was that hardly anyone believed him.

The one point he is anxious to insist on is that it is not a sabbatical. A detailed work programme for the year has been worked out over many months with his collaborators. Nor is he being squeezed out because of last year's downturn in profits, a reflection of the industrial climate. Board approval for his return to the top job in 1984 is considered a mere formality, and it is understood that his chairman's salary will continue.

A corporate shopping expedition? Not necessarily, says the company. The idea is simply to prepare guidelines for the group in 1984-90. About one-third of Lecerf's programme is devoted to studying the international environment, looking, for instance, at how the Japanese make cement or what the Americans are doing in the group's latest pet activity, biotechnology. The remainder of the time will be spent footslogging around the group itself, sounding out ideas.

The thought behind this is that many of Lafarge's 30,000-odd employees are new arrivals. The group, which dates back to the 1830s and which supplied lime to the companies that built the Suez Canal, has expanded internationally at an accelerating pace. It now does half its business abroad. Through Canada Cement Lafarge and the recent takeover of General Portland it now leads the cement business in North America.

Lecerf plans no fewer than five trips to the U.S. and Canada, plus several trips to Asia, an area seen as the next important stage of the group's development.

Olivier Lecerf: insists that his period of absence is not a sabbatical—a detailed programme for the year has been worked out

The exercise is seen as one of getting back to basics after eight and a half years in the job. Now 53, Lecerf rocketed to the top in 1974, when both his predecessor Marcel Demonque and the designated heir died within weeks of each other. Since then he has been flanked by the same two older men: Jean Bailly and Jean Francois, the two vice-chairmen and chief operating officers. Between them, the three have 77 years at Lafarge.

Until now, formalities have prevented Lecerf from leaving his post for more than a fortnight at any one time. That is why he has asked to be released. Bailly takes over the reins, but decisions will continue to be made jointly.

Lecerf has spent almost half *his 26 years at Lafarge outside* France — in Brazil and Canada — and his contact with different management approaches has made its mark on him. Though he does not have the same public renown for being a progressive as Marcel Demonque — who was *something of a character* — he is an ardent believer in teamwork. And that, as French sports commentators are often heard to lament, is not the most French of qualities.

Some 2,000 people in the group were consulted for the drawing up of a document setting out "principles of action" for Lafarge, including rules on divestiture, for instance. Following recent changes, a second document was brought out and discussed last year, circulating in some cases down to the level of workshop foremen.

Guiding principle number one is to stay only on those sectors which the group is in a position to develop. This stance explains the decision to sell off packaging interests, which (starting with cement bags) were the first line of diversification, to a paper specialist, even though these were not unprofitable. Similarly, Lafarge has taken on additional interests in refractory products, a sector now suffering heavily from the steel recession, in order to seek economies of scale.

The company took over the Belgian Coppee group in 1980 because it saw in the biotechnology sector an area which, like its traditional activities, needed large capital investment and which had large-scale industrial potential.

Lafarge's style is cat-like — long deliberation and a rapid pounce. It studied the U.S. market for a long time, spent *two years preparing its bid for* General Portland and getting the $320m it needed together, and then pushed the operation through in four months.

Typically, Lecerf has written to all his executives explaining what he will be up to next year.

Will be be setting a precedent? Some like to think so, but Lecerf does not regard what he is doing as a model for managers of other companies. And there are probably few chairmen *of French companies who* would want to follow him.

LEGAL NOTICES

IN THE MATTER OF
WEALDOAK PRESS LIMITED
AND IN THE MATTER OF THE
COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 28th day of February, 1983, to send in their full Christian and surnames, their addresses and descriptions, full particulars of thei debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

P. W. J. HARTIGAN,
of 1, Wardrobe Place,
Carter Lane, St. Paul's,
London, EC4V 5AJ

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 17th day of December, 1982.

P. W. J. HARTIGAN, Liquidator, FCCA.

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WEALDOAK LIMITED
AND IN THE MATTER OF THE
COMPANIES ACT 1948

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Dated this 17th day of December, 1982.

P. W. J. HARTIGAN, Liquidator, FCCA.

THE COMPANIES ACTS 1948 TO 1976
ROBERTSON ADVERTISING LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at The Connaught Rooms, Great Queen Street, London WC2 on Wednesday, the 26th day of January 1983, at 11.30 o'clock in the forenoon, for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated this 23rd day of December 1982.

By Order of the Board.
M. G. KNIGHTON, Secretary

COMPANY NOTICES

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS
UNITED KINGDOM CURRENCY EQUIVALENTS

In accordance with the standard conditions relating to the payment of the dividends declared by the undermentioned companies on 7 December 1982, payments from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of R1.739700 South African currency to £1 United Kingdom currency, this being the first available rate of exchange for remittances between the Republic of South Africa and the United Kingdom on 4 January 1983, as advised by the companies' South African bankers.

The United Kingdom currency equivalents of the dividends are therefore as follows:

Name of Company (Each incorporated in the Republic of South Africa)	Dividend No.	Amount per share
Interim Dividends		
Doornfontein Gold Mining Company Limited	52	45.98494p
Driefontein Consolidated Limited	19	60.35523p
Kloof Gold Mining Company Limited	26	74.72553p
Libanon Gold Mining Company Limited	64	63.22929p
Venterspost Gold Mining Company Limited	85	34.48870p
Vlakfontein Gold Mining Company Limited	76	6.62218p

By order of the boards,
per pro CONSOLIDATED GOLD FIELDS PLC,
London Secretaries,
P. F. G. Roe, Secretary.

London Office:
49 Moorgate,
London EC2R 6BQ.
4 January 1983

United Kingdom Registrar:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London SW1P 1PL.

AZIENDA AUTONOMA
DELLE FERROVIE
DELLO STATO
Floating Rate Notes
due June 1988
US$100,000,000

The interest rate applicable to the above issue in respect of six months period of 181 days commencing 31 December 1982 has been fixed at: 9 11/16 per cent so that accordingly the interest payable ...

PROVINCE OF
NEWFOUNDLAND
30,000,000 Canadian Dollars
10¼% 1975/1985

Pursuant to the terms and conditions of the loan, notice is hereby given to Bondholders that, during the twelve-month period from December 15, 1981 to December 14, 1982 Cdn $ 1,575,000 of such Bonds were purchased for the Purchase Fund.

Amount outstanding:
Cdn $ 24,825,000

PROVINCE OF NEWFOUNDLAND

January 5, 1983

REPUBLIC OF SOUTH AFRICA

FINANCIAL TIMES

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THE ARTS

Sibley, Madgwick/Covent Garden

Clement Crisp

It was a happy New Year's Day for the Royal Ballet. Sandra Madgwick, a young artist with the Sadler's Wells troupe, soared and shone as Lise at the matinée in Rosebery Avenue; in the evening Antoinette Sibley appeared as Cinderella at Covent Garden.

Miss Sibley's reappearance in a full-length ballet after her welcome return to the company this season, reasserted those essential qualities of ballerina authority and effulgence so sadly lacking in the role since last she danced it eight years ago. Here was a performance irresistible and absolutely right in its generosity of feeling, its amplitude of dance and gesture. There was nothing mere or cramped in this portrait, and no moment without proper emotional weight. Miss Sibley's clarity of playing—characterisation and dance shown as a pure essence of feeling—and her beautifully trusting way with the role made it seem as if she were saying "Enjoy this ballet with me." And enjoy it we did. With Miss Sibley's always ample line and ever-musical phrasing, the choreography glowed. Small things, like her protective gesture towards her mother's portrait in the kitchen, or grand moments, like her rapt entry into the ballroom, spoke of an intuitive appreciation of Ashton's style.

The taxing ballroom solo was clear, bright, girlish; the pas de deux, with Anthony Dowell as the prince, seemed resonant with delight. And everywhere the pleasure of watching a ballerina entirely mistress of her art. For all the joy of Miss Sibley's performance—and her smile could melt the stoniest, Scroogiest heart—it had that underlying power and dignity which can only come from a serious understanding of a *métier*, from her ability to go to the very heart of a role's expressive possibilities.

Anthony Dowell was at his princely best; an almost tangible sympathy existing between him and his partner, Deirdre Eyden was a Godmother radiant in beauty and technique; watching her we sense that the character's benevolence is not just convention but has acquired vivid physical expression in this lovely portrait. With the production now run in, company performances were more alert and persuasive, and the orchestral playing has also gained in lustre.

*

Meanwhile, up in Rosebery Avenue, Sandra Madgwick showed herself a much more than promising Lise during the matinée of *La Fille mal gardée*. It was as Lise that Miss Madgwick literally jumped to our attention in her School graduation performance two summers ago. Joyously buoyant then, the role has now acquired greater dramatic finesse, though with no loss of youthful charm or that delightful spring to each step which made her graduation showing so remarkable. Miss Madgwick is *petite*, pretty, with something of Lepeshinskaya's darting, leaping verve in movement, but she already knows how to keep her ebullience within the bounds of Lise's temperament, and she knows how to phrase her dancing with sensitivity. There is much to look forward to from this bright talent. New also at the performance was Graheme Lustig's Colas. He gave a notably well-reasoned view of the part, every technical point, every choreographic joke, made clear.

Lindsay Quartet/Elizabeth Hall

David Murray

"Mainly Brahms" is the label for the current chamber-music series at the Elizabeth Hall, but the only Brahms string quartet in it won't be heard until the last concert. On Monday the Lindsay Quartet played Haydn and Mozart on their own, and let Brahms wait until Janet Hilton joined them for the Clarinet Quintet. As one has to expect with most Elizabeth Hall concerts nowadays (except when there are songs) there were no programme notes, which gives the "series" the air of a convenient commercial fiction.

The Lindsay's Haydn was the B-flat quartet from op. 64, and their Mozart the first "Prussian" quartet, K. 575. Fresh, witty performances, not always very tidy—one had the strong impression that on-the-spot alertness and spontaneity were probably making up for spots of rust that had accumulated over the Christmas break. (The exposition-repeat in Haydn's *vivace assai*, for example, sounded far more assured than first time round.) Lashings of character, though, for which one can forgive the occasional little skid.

The Brahms Quintet enjoyed a grandly dramatic performance, not least because it was treated firmly as a work for five strong voices, not a mini-concerto for clarinet. Miss Hilton's cool, pure sound lost nothing in Brahms' tender writing for her instrument, though there are undoubtedly listeners who prefer it warmer and cosier. Sometimes the ensemble had a near-orchestral power. It was greatly satisfying to hear the Quintet not as a sentimental tone-poem, but as a whole compact symphony.

Gabrieli Quartet/Barbican Hall

David Murray

Yesterday the Gabrieli Quartet began their lunchtime "Anglo-Czech Series" with Dvorak and young Britten. The Dvorak was his Quartet in G, op. 106, most musically expounded; the Adagio, an impressively elaborated variation-set, was steadily built up through sympathetic contributions by each player—Dvorak is generous with individual opportunities.

A touch more warmth in the sound would have been welcome—probably a matter of acoustics only, though it is true that the Gabrieli leader has a brighter, sharper tone than his colleagues.

Britten drafted a suite for string quartet at the age of 20, and rewrote three of the pieces three years later as "Divertimenti." Apparently they have not been heard in London in 46 years. There is a March, and a Waltz, and a Burleque—none of them ambitious, every one recognisable within moments as Britten's work. The quartet-writing is fairly tentative in the March, expertly tidy in the Waltz, very inventive (by the British standards of the period) in the buzzing Burlesque.

The Gabrieli team dealt lucidly with them all; one can imagine an extra sting, a theatrical flair, at points where this devoted performance remained straight-faced. The Divertimenti hardly amount to a real addition to the repertoire, but they add significantly to our understanding of Britten's development.

Doomed characters—Peter Benson as Henry VI and Lisa Eichhorn as Isabel, the love-lorn wife and mother in East Lynne

Television/Chris Dunkley

Few goodies at Christmas

The most memorable productions of the past fortnight—that period of enervating hiatus into which we are all nowadays obliged to slump as the old year stops and the new one is prevented from starting—were *The Real Thing*, *ET*, and *The Snowman*. The first is, of course, the new stage play by Stoppard which I saw at The Strand Theatre and the second is Spielberg's latest movie which I saw at the Empire, Leicester Square. On both occasions the "House Full" signs were out and the applause at the end was spontaneous and enthusiastic.

Only *The Snowman* was a television programme and I have a small reservation about my reactions since I watched this animated version of Raymond Briggs' wordless book on a big screen in a preview theatre. Moreover I was surrounded by excited children whose obvious enjoyment of the charming story of the travels of a boy and a snowman may have had a marginal effect upon my estimation of the work. Taking all that into account I still reckon it was the best of the programmes made especially for Christmas, and director Diane Jackson and Channel 4 deserve our congratulations and our thanks.

Certainly the very last time any comedian is ever available for a television Christmas show is at Christmas; by then they are all appearing live in pantomime. "Live" is the word, and being in the audience for even the most mediocre panto provides a greater sense of occasion than a whole weekful of drearily un-special "specials" on the small screen.

Perhaps the most intriguing thing about these is the way that an increasing number make little, if any, pretence about their essentially unseasonal nature. *The Stanley Baxter Hour* on ITV on Christmas Eve for example was both literally and figuratively free of tinsel and holly. No doubt that makes it seasier to sell abroad, though I have never quite understood the great Baxter magic. Mimicry of Alan Whicker went out of date on the day that the Monty Python team peopled an entire island with Whickers some years ago, and I can only compare the Good Ship Lollipop parody with other parodies since the original came out before I was born and I have never seen it.

The writer of the billing for last week's *Kenny Everett Television Show* on BBC1 could not resist claiming in the last line that this would be a "special holiday edition" but otherwise this, too, dispensed with the seasonal vamping — and for the same reasons, perhaps. Certainly the programme was its usual self: stock characters such as Marcel and Gizzard Puke, catch-phrases such as "It's all in the best possible taste" and of course a little musical interlude. The formula is instantly recognisable to anybody (me, say, or Kenny Everett) who was born in 1944 and retains fond memories of the half-hour radio comedies of the 50s. Originally Everett's television show specialised in complicated and time-consuming electronic effects but now it relies increasingly on the familiar characters and the familiar jokes. It is still enjoyable but I admire it less.

The fact is that television is hopeless when it comes to supplying a sense of occasion unless the occasion is itself supplying that sense by occurring as it is televised, as with moon landings, wars or coronations. How interesting, incidentally, to discover from the Cabinet papers realised this week that the televising of the 1953 coronation was opposed by both the Cabinet and the Queen herself and that the ban on cameras was only lifted when the extent of public hostility became clear. These days the change from the age of radio to the age of television is dated quite specifically from 2 June 1953 when 2.75 million television sets drew an audience of 20.4 million viewers, a record which stood for many years even though set sales rocketed upwards from that very day.

Since there is at Christmas no single live event to be relayed in the fashion of a coronation, television finds itself without any focus and—in these secular days—without even any very clearly shared assumptions among its millions of viewers. The outcome is a series of "specials" which according to my dutiful if desultory checks vary so little from year to year that they might just as well be mass produced at the start of each decade and stockpiled for future use. Come to think of it, that is probably not so very far removed from what does happen.

To be fair to television's Saturnalia, however, even if the "specials" were mostly unmemorable, there were other offerings well worth watching, many of them on BBC2.

On Christmas Eve they presented *The Forgotten Voyage*, a beautiful drama-documentary account of the travels and discoveries of Alfred Rusel Wallace in the Dutch East Indies in 1856. Peter Crawford's programme brought out vividly the astonishing modesty of the young professional naturalist whose theory concerning "the survival of the fittest" (his own phrase) caused the gentleman-amateur Darwin to publish The Origin of Species for fear of being pipped at the post after a lifetime's work. The programme makes the perfect complement to the BBC's *Voyage of Charles Darwin*, using a precisely similar combination of acting on location and natural history filming—a combination which looks effortless, must presumably be outrageously difficult, and which I have seen no other organisation but the BBC in the entire world even attempt.

In the week after Christmas BBC2 gave us a Gold Box Victory Jig Saw version of Mrs H. Wood's *East Lynne*: vast, complicated, old-fashioned, chunky, full of bustles, shot in that luminously glowing countryside which Constable seems to have invented, and made up of lots of little bits and pieces which interlocked with infuriating neatness once you could see the whole picture. The story is, of course, ludicrous, but the camerawork, the locations, the costumes, the incidental music and Lisa Eichhorn were all very pretty and the acting by Annette Crosbie and Jane Asher as a couple of spiteful bitches was magnificent.

Had I been producer Colin Shindler I would have kept in "Dead! Dead! And never called me mother!" even if it *was* invented for the Victorian stage and never appeared in the novel. That aside, it is impossible to imagine a better television production of this work.

The same can be said of BBC2's *Henry VI Part I*, though had I been producer of the Shakespeare series I would have anounced by firm belief that William Shakespeare could not conceivably be the author of this clod-hopping narrative and that we would therefore not be including it. Still, if it were done when 'tis done, then 'twere well it were done in a bright pink and orange adventure playground as designed by Camden Council social workers and played broad and fast for laughter and tears—and sure enough, it was.

The best thing about it was the introduction by Michael Wood in *Shakespeare in Perspective* earlier in the day. True he failed to warn viewers that someone other than Shakespeare probably wrote the play, but Wood's great virtue is that he can make history vivid to an audience because, so obviously, he feels it vividly within him — as he proved with his *In Search Of* series.

BBC2's other memorable offering was a repeat on the previous day: a full run of *Jane*, previously shown in episodes, the wartime strip cartoon character being played with delightfully accurate suspender-flashing innocence by Glynis Barber. As we have come to expect from producer Ian Keill, the programme looked wholly different from everything else on the box; Graham McCallum's art work really did blur the distinction between comic strip and electronic story telling.

And what of the notorious Channel 4 New Year's Day programme for homosexuals? Well I hope somebody enjoyed it, though I am afraid it is one of the many programmes offered by C4 which are so highly specialised in their appeal that there is little point in an ordinary critic taking much notice. All I can say is that none of the homosexuals I know behave like this lot (thank goodness) and the idea that programmes like this provide some sort of balancing-up operation is surely the sheerest fantasy.

Babes in the Wood/Croydon

Rosalind Carne

After a succession of camp and outrageous dames, it comes as a relief to place oneself in the capable hands of Nurse Gertie Goodlife, V.A.T., even if she does slip up temporarily with the Babes. Richard Briers is caring, playful and lovable, sporting a fetching top-knot, not a scrap of make-up and a homely wardrobe which favours polka dots and bloomers.

Other strong points are John Morley's classic script and some good dancing, with choreography by the director Michael Tye-Walker. Suzanne Danielle is a leggy, elegant, Robin Hood, among the most imposing if not necessarily the most appealing of the season's principal boys. She makes a startling costume change at the end of Act one, from Lincoln Green to glittering purple, as the fantastical monarch of the Hall of Chivalry, a cross between Britannia and the Queen of the Faires.

Imaginative touches abound—such as the flourescent animation which brings to life the Land of Toys or the Birds and Beasts of the Forest, leaping and pirouetting through Terry Parsons' story book design.

There are weak spots, too, longeurs, particularly in the early scenes, and some laborious comic business from Arthur English as Friar Tuck. Pantomimes are notoriously under-rehearsed, but too many jokes about forgotten lines are quite unnecessary.

Nicholas Parsons arouses the required amount of moral indignation as the merciless sheriff, and Keith and Alan Simmons soon gather a loyal following as the warm-hearted robbers. There is the usual sprinkling of local allusions, TV jokes and hummable tunes, including the ubiquitous "Spread a little happiness."

*

The Half Moon Theatre in Stepney is showing a space age *Wizard of Oz* by Robert Walker, certainly the most original Christmas entertainment I have seen. (For "Yellow Brick Road" read "Cosmic Trail" and so forth.)

The varied score and clever lyrics are by Paul Sand and the principals all sing well. Alfred Molina has tremendous stage presence as both good and bad witch, and Caroline Embling is inspired casting as the plucky East End Dorothy. You'll also meet a computerised Tin Man, a Cockney Lion and best of all Tim Potter's extraordinary Straw Man, looking like a prickly pear in a Babygrow.

Riverside Studios

Antony Thorncroft

Riverside Studios has endured so many crises in its brief existence that the latest *angst*, with the staff staging an unpaid "work in" while efforts are underway to resolve the arts centre's financial difficulties by the middle of this month, is likely to induce tedium, even among well wishers.

But this crunch is real, and just how worth saving the Studios are is well reinforced by its current repertoire. In the art gallery there is an exhibition of paintings by Matta inspired by *The Tempest* and influenced by Aztec art: they are striking and obsessive. And in the main studio the Tom Jobe company has had its run extended, by popular demand, until the end of this week.

Tom Jobe, a tall dominating American dancer, leads his troupe into that newly charted territory which embraces modern dance, performance art, rock music and disco. The main development of contemporary music in recent years has been a long overdue revolt by the populace against sitting reverentially at the feet of self indulgent super groups and in favour of dancing. Indeed dancing has taken over from the cult of the pop singer: today's young flock to clubs to jig around to the right sounds and are largely indifferent to the musicians producing them. They also like to be the show, by their clothes and their accessories.

Tom Jobe provides a more artistic display of "everyone's a star." To music mainly by Rickie Lee Jones but with original material, and arrangements, by Barry Pheloung, the dancers evoke city life through brief pointed scenarios. There is an element of New York radical chic but with some excellent singing by Alison Limerick the cameos swept along the packed audience to an enthusiastic reception. With all the bustle and bonhomie, the blurring of art and popular culture in a democratic maze, it seemed shocking that Riverside should be in mortal danger.

Mother Goose/Wimbledon

Alan Forrest

There is more to pantomime matinées than the smell of orange peel and wet raincoats. I'm so glad I chose a matinée to look at Wimbledon's *Mother Goose*—with company at the bar from all those desperate dads who had clamoured for end-seats in order to sneak off during the slack bit in the middle when Larry Grayson plays *The Generation Game*. On my visit a small boy stalked off the stage in disgust when he couldn't answer the questions. "Goodbye, Sir Laurence," called Grayson, a pretty good bit of ad-libbing.

This *Mother Goose* is certainly a traditional panto. I detected only about six jokes that didn't date back to the Bradford Alhambra, 1937. It is well-dressed, splendidly designed and doesn't flag in the second half as the Coke goes flat and the popcorn sags.

Honor Blackman, as Demon Vanity, a marvellous villianess, makes the plot work, but I'm not sure whether that German accent doesn't offend the Race Relations Act. Anna Dawson gives a new slant to the part of the Good Fairy.

The Mother Goose is David Morton, a traditional dame performance, and very enjoyable. Dilys Watling makes an heroic principal boy, a bit short in stature for those of us who remember the *real* big girls, but loud in voice. Priscilla, the golden goose, is played by somebody called Suzanne von Koenifstaedter—so follow that, if you can.

Larry Grayson is Larry Goose, Mother Goose's lodger. He works hard, but doesn't look as if his heart is in it. That Buster Keaton frozen face doesn't exactly add to the gaiety of nations. The song we all had to sing when they were getting tarted up for the finale was quite unmemorable, but of course, I can remember Ernie Wise's *Let's Have a Tiddly at the Milk Bar* and Albert Modley's *Peter's Pop Keeps a Lollipop Shop*. Oh, yes I can!

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 3–7

Theatre

LONDON

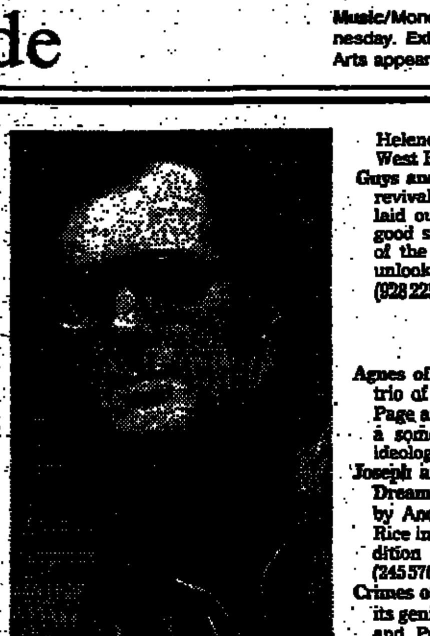
The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Andy Capp (Aldwych): Good British musical starring Tom Courtenay based on the syndicated cartoon character with an ingeniously nostalgic score by Alan Price who also participates from the keyboard. (836 6404).

Noises Off (Savoy): Michael Frayn's backstage comedy is still the funniest play in London, owing small debts to Rattigan's Harlequinade and Pirandello's Six Characters. Brilliantly directed by Michael Blakemore. (836 8888)

Trafford Tanzi (Mermaid): Exuberant play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)



Harold Pinter's triple bill Other Places in repertory at Cottesloe Theatre, London

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)

84 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hanff, and the owner of a West End bookshop. (836 1171)

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

NEW YORK

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Crimes of the Heart (Golden): Despite its genial humour, outlandish events and Pulitzer Prize, Beth Henley's story of three Mississippi sisters boils down to a sitcom sensibility full of gags, good acting and frequent phone interruptions. (246 6740)

Master Harold ... and the Boys (Lyceum): Tony-award-winner Zakes Mokae leads the cast of three in Athol Fugard's latest look at apartheid in South Africa, where, in a Port Elizabeth tearoom in 1950, a white teenager turns against the two black servants who have been his only friends. (582 3897)

Present Laughter (Circle in the Square): George C. Scott proves that with the right wardrobe of dressing gowns, he can capture the essence of impresario Garry Essendine, including directing an excellent supporting cast. (581 0720)

Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (279 4200)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Good (Booth): How Halder became a Nazi, in this London import starring Alan Howard and directed by Howard Davies, is eloquent, stylish in set and overlapping scenes, but ultimately convincing for the rather undramatic and prosaic reason that Halder was sought after and treated well. No moral tale there. (239 6200)

Plenty (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (239 6200)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262)

WASHINGTON

Cymbeline (Arena Stage): Shakespeare's late fairytale brings Imogen into the round for her lavish adventure in star-crossed love. (488 3300)

On Your Toes (Opera House Center) Natalia Makarova stars in this George Balanchine choreographed musical by Rodgers and Hart which is being revived under the direction of George Abbott. (254 3770)

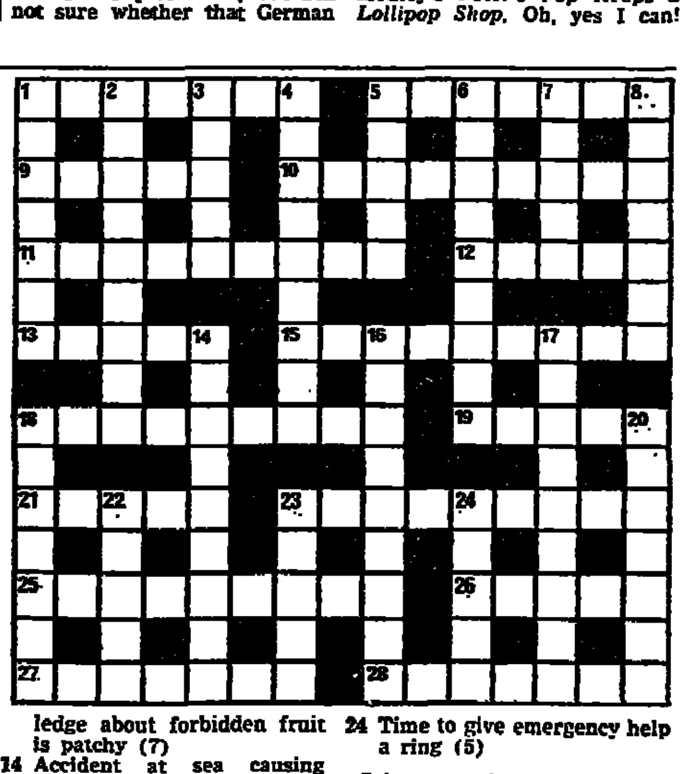
Outrage! (Eisenhower, Kennedy Center) Edwin Sherin directs Peter Evans starring in Henry Denker's topical drama of revenge on criminals whom American courts seem to allow to get away with murder. (254 3670)

CHICAGO

The Life and Adventures of Nicholas Nickleby (Blackstone): By the time the Royal Shakespeare Company's performances ended last season in New York, Nick Nick (as its advertising called it) had run up an insatiable demand, now being satisfied by the Great Lakes Shakespeare Festival revival of the London production running to eight hours in two parts. (977 1700)

Shear Madness (Mayfair at the Blackstone Hotel): Bruce Jordan and Marilyn Abrams recreating the roles they originated in the hit run of this comedy mystery in Boston and Philadelphia. (266 0252)

F.T. CROSSWORD PUZZLE No. 5,063



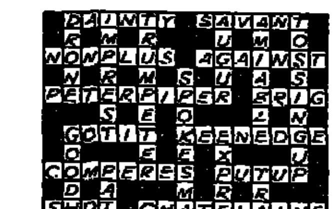
ACROSS

1 Get in front as result of applying guillotine? (4, 3)
5 Unhealthy part of garden for an invalid (4-3)
9 Was in command and made the decision (5)
10 Pool is in chaos when shark somehow gets in: so act quickly! (4, 5)
11 Go between put in grave position (9)
12 A ring made of coral (5)
13 Shipping hazards can reduce extent of the sail (5)
15 Irregular drip seems to have made a mark (9)
18 Oxford University device to launch the boat (9)
19 Get rid of parts of Circle Line going round Park (5)
21 Project worth alternative presentation (5)
23 Pale appearance of faded cape (9)
25 Scarlet flower much sought after by French revolutionaries (9)
26 Leading eastern state (5)
27 Startled by strength of current? (7)
28 Ghost reassembled a French fire-arm (7)

DOWN

1 An athlete who worries? (7)
2 A share to cultivate? (9)
3 Command sequence (5)
4 Behind the fans (9)
5 An inclination to raise arms (5)
6 Players will need a practice on Sunday in order to make a rattling pair (9)
7 Party commonly has to exist on a small number (5)
8 Degree of religious knowledge about forbidden fruit is patchy (7)
14 Accident at sea causing broken hips and disablement (9)
16 Split with care to make small pieces (9)
17 Film showing a filtering technique (9)
18 Officer commanding foremost American multi-armed body (7)
20 Post Office has strict means of entry (7)
22 The Boyfriend needed capital to start but nothing afterwards (5)
23 Study whether it is penalised in retrospect (5)
24 Time to give emergency help a ring (5)

Solution to Puzzle No. 5,062



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Wednesday January 5 1983

Time to join the EEC

BY ITS NATURE, our ten-year anniversary survey of British membership of the European Community is largely a retrospective affair: if it has not been a glorious decade, neither has it been one which alters our long-settled belief that Britain's place is in Europe and in the European Community.

This should also be a moment, however, to look forward and to consider the directions in which British and European policy should be moving, not just in the spirit of a series of New Year's resolutions, but because 1983 could prove a critical year for Britain's relations with the Community.

This year, one way or another, the vexed question of Britain's net contribution to the Community budget will come to a head; and while the General Election in Britain need not necessarily be held before the end of 1983, it cannot be long delayed thereafter. There is a strong possibility, therefore, that the outcome of these negotiations and, perhaps even more important, the atmosphere in which that result is achieved, will impinge on an electoral debate in which the Labour Party is almost bound to argue for leaving the Community.

Task

Mrs Thatcher cannot guarantee a satisfactory solution to the budgetary problem: that lies in the hands of the other member states and in the light of the long record of Britain's budgetary complaints, embittered by the brutal style of Mrs Thatcher's initial approach to the problem, they cannot be counted on for spontaneous generosity. But she could and should be thinking of ways to construct a broader, more constructive and more imaginative approach to the whole gamut of Britain's relations with Europe, so as to create some of the conditions in which generosity would not be unnatural.

This will not be an easy task. On the one hand, Mrs Thatcher's government has been more noted for Gaullism than for Europeanism hitherto, and the Prime Minister herself is not naturally equipped for the role of international statesman; on the other hand, the worldwide recession reinforces nationalist reflexes in all the member-states.

Yet Mrs Thatcher has many impressive assets. Extremely intelligent, she has a political position which is for the time being unchallenged at home, and a reputation which commands respect and even admiration abroad. If she were to decide that the time has come to press for improved European co-operation, rather than merely try to eliminate those bits of the Community which Britain does not like, she might make a considerable impact, both at home and in Europe.

Answers

Precisely what sorts of initiative should be undertaken is not a question susceptible of any magical one-word answers; in any case, the details are less important than the general spirit in which the Government approaches the totality of its European relationships. Towards the end of last year, British ministers started making a series of warm speeches about the Community; if they can be perceived to be making an imaginative effort to translate that tone of voice into constructive policies, they may evoke a reply in kind.

In the energy field Britain has substantial assets, in coal, oil and gas. For the time being there is an oil glut. But it can only be deliberate perversity which persuades British governments to argue, as they have consistently done, that there is no way in which these assets could in part be ear-marked for the preferential benefit of Community partners, if not now then in some not improbable future contingency.

It is also time to reconsider the various arguments which have been deployed against full membership of the European Monetary System. A laissez-faire attitude to exchange rates in recent years has not produced happy results for international trade. Britain's determination to stand aloof from the EMS seems symptomatic of a non-committal approach, a refusal to accept anything not absolutely laid down in the Rome Treaty.

Problems

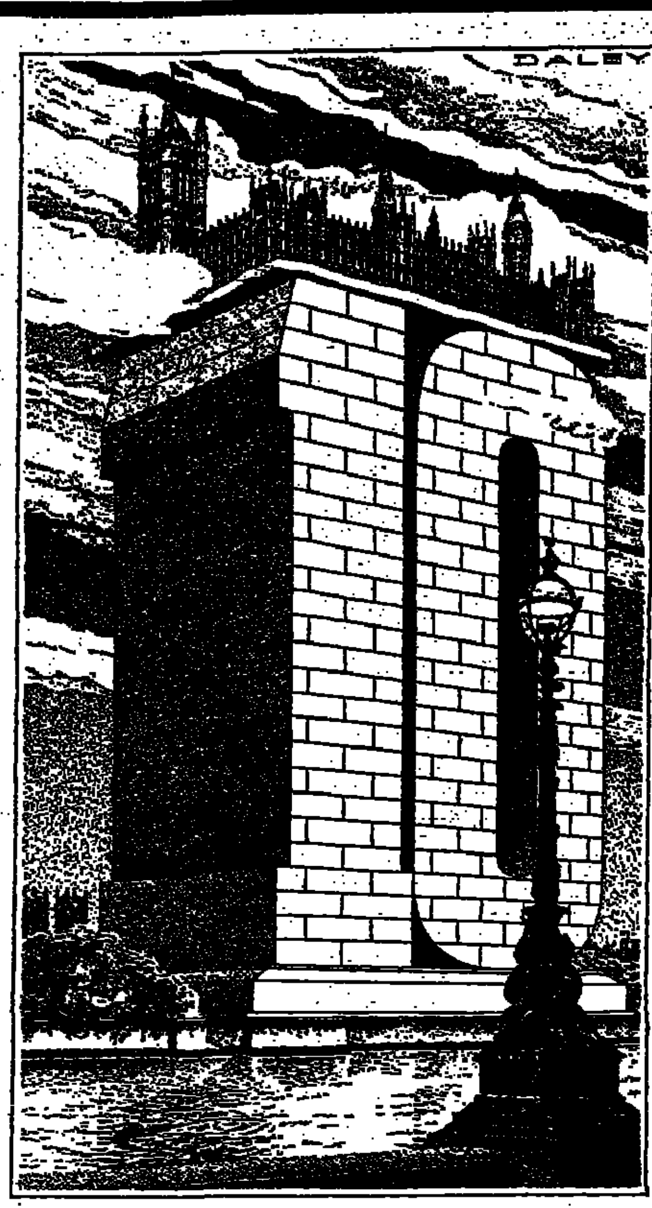
But the most important question is this: can the Community play any constructive role in tackling the salient economic problems of today, low growth, high and rising unemployment, industrial maladjustment? These problems will undoubtedly be high on the agenda when the western economic summit meets at Williamsburg in the spring. But that meeting is unlikely to achieve very much unless the governments of the European Community have thought long and hard about what they can do together, and about what they are prepared to do for their common good.

Britain in Europe

It is 10 years since Britain joined the EEC. On this and the facing page we examine the political and economic balance sheet of membership

A decisive shift in the centre of gravity

By Ian Davidson



THERE IS a hallucinatory inertia about the European Community which sometimes make it seem as if time has stood still, not for months but for years or even decades.

Twenty years ago, during the first, abortive negotiations for British membership of the Community, the principal struggles centred on the impact of the emerging common agricultural policy and the question of access for Commonwealth food; ten years later, these remained central issues; and today, after ten years of British, Danish and Irish membership, the Community is still bickering over the rights and wrongs of the common agricultural policy, and the French are still making trouble over residual concessions to New Zealand butter.

Ten years ago, during the second, successful negotiations, a major anxiety of the British negotiators was the probable financial cost to the UK of the common agricultural policy. Today, despite ostensible assurances from the Community, and despite a "renegotiation" on this and other contentious issues in the middle of the intervening decade, the budgetary problem seems to remain as divisive and as intractable as ever. Ten years ago, all kinds of hopes were held out that the British budgetary problem would be alleviated by the development of other spending policies, such as the Regional Fund, which would shift the Community's centre of gravity away from the common agricultural policy; today, these hopes remain unfulfilled.

Twenty years and ten years ago, the little Englanders on the left of British politics were hostile, on primarily xenophobic grounds, to the notion of British membership of the Community; today, after a decade of membership, not only are they still hostile, but they may almost have committed the Labour Party to a pledge of withdrawal.

Inevitably, the unending struggles over the same old problems have soured the atmosphere, provoking disappointment, disillusionment and even ill-will. Twenty years ago, British membership was ardently desired by the Benelux countries, West Germany and Italy; today much of that early support has curdled into irritation, and the irritation has proved contagious all round.

What was launched as an experiment in international co-operation looks now more like a battle-ground for competing national interests, in which every government digs its heels in almost indefinitely, and where the combative atmosphere has spread even to the Committee of Permanent Representatives, that ambassadorial group of officials whose task should be to facilitate decision-making by the Council of Ministers.

Some of the blame for this state of affairs can certainly be laid at Britain's door, but by no means all; and there are also significant credit items on the ten-year balance sheet which suggest that, while the Community may be a more quarrelsome body than it once was, and has repeatedly failed to live up to the idealistic hopes of Jean Monnet and the founding fathers, it is far from dead.

The rot began with the Labour Government which came to power in 1974, barely a year after accession, and started the hare of renegotiation. Many people were at the time deluded into thinking that the new budgetary mechanism then extracted from the other member states would deal with Britain's demand for financial justice, and many more believed that the ensuing referendum, in 1975, would finally settle the question whether Britain was or was not committed to staying in the Community.

These hopes proved short-lived. The new mechanism totally failed to solve the budgetary problem, many leading Labour ministers remained openly hostile to the Community, and neither Harold Wilson nor James Callaghan made any serious attempt from 10, Downing Street, to push the Community in directions that would be more constructive and more beneficial for Britain.

The disinterest of the politicians was mirrored by the ambivalance of the civil service: the Foreign Office may, by and large, have become converted to the fact of membership, but elsewhere in Whitehall some of the finest brains have devoted themselves to drafting objections to any intensification of British integration in Europe, whether in the field of energy policy or in the European Monetary System.

British political ambiguity about the Community has become starker since the Conservatives came to power in 1979. Mrs Thatcher's battle-axe approach to the budgetary problem has been moderately successful in money terms, but at the cost of repeated rows, and a long-term settlement of the dispute is not yet in sight. On the other hand, her Government has in recent months been trying to sound more enthusiastic about the Community generally, without as yet succeeding in projecting any very clear image of where it would like the Community to go.

The long-standing stalemate in the Community is not, however, due primarily to the time-consuming British complaints. At the time of British accession ten years ago, the original Six had fairly recently completed their customs union and most of the common agricultural policy, and was moving, for better or worse, towards the budgetary system in which the Community has its own financial resources. Thereafter, any further progress in economic integration was bound to be more difficult, because it would require surrenders of national policy-making.

Ten years ago, all ten governments were ostensibly highly optimistic about the progress that the Community would make during the remainder of the 1970s. On the eve of British accession, in October 1972, the heads of government of the enlarged Community solemnly announced that they would, by the end of the decade, achieve not merely Economic and Monetary Union but also, more portentously, European Union.

Little has come of these grand objectives. In the European Monetary System the Community has established an exchange rate stabilisation policy, but that is about the size of it; economic and monetary union has so far proved unattainable, and is as far off as ever. Throughout the Community, the nation states proved recalcitrant to grandiose integrationism, to the point where even some formal obligations under the Rome Treaty, signed over 25 years ago, such as the establishment of a common transport policy or the liberalisation of financial services, remain unfulfilled.

Ten years in Europe, from the idealism of Mr Edward Heath (left) to the toughness of Mrs Margaret Thatcher (right)

Moreover, Britain joined the Community at the start of what has turned out to be an extremely difficult ten-year period internationally. Two oil shocks with attendant stagflation, culminating in a banking-and-debt crisis and a prolonged worldwide recession, have coincided in the past seven years with a steady decline from East-West detente to super-power confrontation. For the original Six, the prosperity of the 1950s and 1960s took most of the pain out of launching their common market; for the enlarged Ten, the stresses and strains of the 1970s have made further progress on the integrationist road even more difficult than it would otherwise have been.

The general difficulties of the 1970s have spilled over into the popular attitudes towards the European Community in all three of the countries which joined ten years ago. Danish and Irish farmers expected, and in the early years got, substantial benefits from membership. But today the Community is even more unpopular in Denmark than it is in the UK—the fishing dispute has hardly helped—and while Irish opinion is somewhat more favourable, it is less enthusiastic than that in any of the original Six.

On the credit side of the ten-year balance sheet there are two principal items, both political/institutional rather than economic: the first direct elections to the European Parliament in 1979, and the steady development of foreign policy co-ordination. The fact that the new parliament seems to make some problems worse without making any much better, is a symptom of teething troubles: in the attempt to enlarge its role in Community decision-making, and to strike a balance in its relationship with the Council of Ministers between co-operation and contestation, it is bound to lurch about.

Foreign policy co-operation, by contrast, has proved a more pragmatic affair ever since it was launched just under ten years ago, and is justifiably highlighted by the British Government as one of the (few) success stories of the past decade. In the past few years the Ten have managed to co-ordinate their policies on the Middle East, Afghanistan, Poland and the Falklands, and they have even cautiously agreed, despite the misgivings of the neutral Irish, to discuss political aspects of security.

This may seem small potatoes. After all, it should not be all that difficult to agree on a condemnation of the Soviet invasion of Afghanistan, and in any case the process of co-ordination is carried on outside the Community institutions. It may be useful, but is it very significant?

Such scepticism is understandable, but it may miss the point, both about the relative decline of Britain's position in the world, and about the relative increase in the prominence of the European Community.

In little over a decade, Britain has got out of the Gulf, has presided over the independence of Rhodesia, and has sloughed off the unsustainable burden of running a reserve currency. Despite the residual problems of Hong Kong, Gibraltar and the Falkland Islands, Britain has ceased to be an imperial power; and while the Commonwealth remains a remarkable and valuable forum, there can be little doubt that Britain's real centre of gravity, both political and economic, now lies in Europe.

Conversely, the European Community has steadily become a more important presence in the world. This is partly because of the relative erosion of the dominant position once enjoyed by the U.S., whereas Japan, China, and the oil producers collectively, have become more prominent. But it is partly because of the growing interpenetration of economic, political and security considerations in a period of deep recession and East-West tension: the most obvious examples, in the past 12 months alone, have been the arguments with the U.S. over the Soviet gas pipeline embargo and now over East-West trade. The cumbersome nature of Community decision-making means that it tends to react to outside pressures rather than to take the initiative; but so long as outside pressures persist, they will tend to push the Community countries together.

No one could claim that on balance the Community's record is glorious, and it has yet to demonstrate its relevance to the salient economic problems of Europe's voters: inflation, low growth, unemployment. But at least it has held together during the past difficult decade, despite the alarming French lurch in the direction of protectionism, and that in itself is quite an achievement. What's more, Spain and Portugal are both more impatient to join than the Community is to have them.

China strives for stability

EVENTS in China last year may have lacked the high drama of previous turning points since liberation in 1949 but they may prove to be just as crucial. Deng Xiaoping and his supporters have made some impressive gains. Major changes in policy and personnel have taken place with none of the accompanying upheaval which one expects when China's political leviathan is on the move. That, in itself, is an achievement.

Under Deng, the new leadership has invested much of its credibility in economic growth. As in other centrally planned economies, the bureaucratic obstacles in the way of higher productivity and efficiency are very great. Nevertheless, China has moved to a more secure position than at any time since the 1950s.

Political change has gone smoothly. With the exception of a few minor hiccoughs successive top party meetings culminating in the 12th Party Congress last autumn have rejuvenated the core of the leadership. it has a better than evens chance of inheriting power from the Long March generation in an orderly fashion.

Abolished

The new party constitution adopted at the congress still smacks of a political programme. It is not the kind of impartial framework for government required to ensure long-term stabilty. But it did abolish the post of chairman, tainted by Mao's massive misuse of power and at least gave the rank and file party cadres some rights. The ageing members on the politburo cling on, stubbornly refusing to make way for younger men but, lower down, hundreds of ministers, vice-premiers and senior officials have been swept aside in an effort to simplify China's morass of red tape, nepotism and inertia.

Despite widespread ignorance of the outside world, foreigners are finding more sensible, hard-headed pragmatists among the Chinese officials they deal with. Premier Zhao Ziyang's economic report to the National People's Congress last month inspired some confidence in the leadership's ability to identify priorities and spot hurdles to overcome, even though the targets set — a quadrupling of production by the year 2000 — smacks of the disastrous Great Leap Forward mentality.

Bigger role

The hard-line military have, for the time being, been placated for their loss of status. A soldier has replaced the former civilian as defence minister and £100m is being spent to refit destroyers and equip them with British Sea Dart missiles.

In international relations, China is carefully establishing a more comfortable position, distancing itself from the U.S., cautiously defrosting its relationship with the Soviet Union and assuming a bigger role in the Third World. Premier Zhao's African tour is a major step in that direction.

The unnatural honeymoon period with the U.S. is over. Both parties are more realistic about their expectations of the other, even though the relationship remains cemented by strategic need, trade and technology.

Enemies

None of this guarantees that the struggle for China is over. Deng's climb to the top has made him many enemies. There are many opponents of the Dengist line who are biding their time as the old campaigner gets older and his protegees seek to establish themselves as powers in their own right. But the drift is in the right direction and should be welcomed by the West, which has a strong political and economic interest in seeing the world's most populous nation stable and secure.

Men & Matters

Knight's move

If the New Year's first big takeover attempt succeeds, Cyril Spencer, former executive chairman of the Burton Group, will become the boss at UDS. Sir Robert Clark, chairman of UDS, opened his defence in spirited fashion last night saying, "Mr Spencer seems to be the institutions' White Knight after what he did at Burtons. He doesn't seem to work at Burtons any more."

Bassishaw Investments has bid £191m for UDS claiming it "will be able to direct the operations of UDS more successfully than the existing management." Bassishaw is a new company, a formidable combination of Heron International and pension fund money (National Coal Board, Post Office and British Rail).

Gerald Ronson, chairman and chief executive of Heron, and Hugh Jenkins of the NCB pension funds, are on the new Bassishaw board.

But the key appointment is Cyril Spencer as Bassishaw chief executive. Aged 58 he has recently been paid £120,000 compensation following his replacement as chairman of the Burton Group in 1981. His £75,000 a year contract was not due to expire until 1984. During Spencer's chairmanship Gerald Ronson explored the possibility of launching a takeover for Burton's.

Smart Alick

None of Margaret Thatcher's middle-ranking ministers looks better placed for promotion in the next few days than Alick Buchanan-Smith, Minister of State for Agriculture and Fisheries.

The approaching Danish armada provides a timely reminder for the Prime Minister—now pondering her Government reshuffle — that Buchanan-Smith has been stoutly defending British fishing interests in Brussels for nearly four years.

Such sterling service, already rewarded with an appointment to the Privy Council, has clearly dispelled any lingering doubts about the one-time Gordon Highlander's loyalty.

Buchanan-Smith resigned as the Shadow Cabinet's Scottish spokesman in 1976 rather than support Mrs Thatcher's three-line whip against Labour's devolution bill—and he continued his stiff-necked refusal to toe the party line until after the referendum in early 1979.

It is not merely his flair for fish that gives him a favourable chance of rising into the Cabinet.

His boss at the Min of Ag. Peter Walker, has indicated that he would welcome a move to new pastures—and if the PM yields to her own inclination to put Walker out to grass. Buchanan-Smith would seem to be an automatic choice for the succession.

He has similar claims for consideration if Scottish Secretary George Younger, another looking for a change, is shuffled elsewhere.

Buchanan-Smith has already served at the Scottish Office—and MPs with Scottish seats are becoming a rare species in the Tory Party.

Battle lines

Nothing, it appears, inflames European tempers like fish. While Britain stands ready to repel the marauding Danes from its fishing grounds, yet another fisheries war is brewing elsewhere in the Community.

This time it is a civil war between Belgium's Flemish fishermen and their Walloon rivals. The dispute does not promise quite the same drama as that of the North Sea for it chiefly concerns the country's coarse fishermen. But there are 218,323 rod-and-line angling enthusiasts now embroiled in a heated row over fishing rights.

The trouble started when local government leaders in Flanders adopted a rule for the New Year season which invalidates national fishing permits and introduces Flemish permits.

All that is needed for real hostilities to begin is for some defiant Walloon angler to fish the proscribed Flemish waters, get arrested and fined, and then appeal to the European Court of Justice.

Unplugged

The technical blunder that caused the postponement of President Mitterrand's televised New Year's message has claimed its victims.

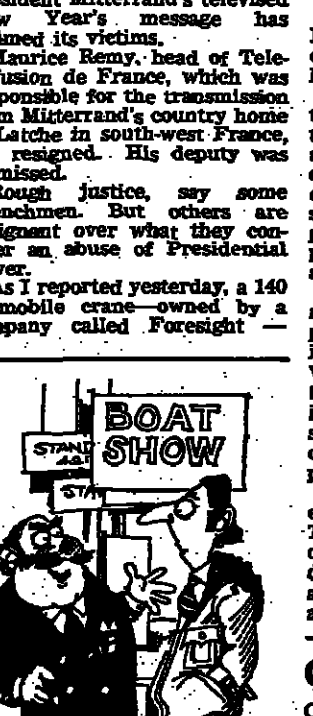
Maurice Remy, head of Telediffusion de France, which was responsible for the transmission from Mitterrand's country home at Latche in south-west France, has resigned. His deputy was dismissed.

Rough justice, say some Frenchmen. But others are indignant over what they consider an abuse of Presidential power.

As I reported yesterday, a 140 ft mobile crane—owned by a company called Foresight — which should have helped in relaying the television pictures, never turned up. It was eventually found in Nancy, on the other side of the country, being used in pruning the city's poplars.

Mitterrand appeared to have taken the incident in his stride when he appeared on the screens 24 hours late. But he was not amused.

And Remy, who might have been replaced shortly in a re-organisation of the broadcasting authority, departed earlier than expected.



"Sold out old boy—chap from the Fisheries Protection bought the lot"

Tripped up

Little things can cause a lot of trouble — as Shell Chemicals has discovered.

The failure of a 25p transistor, no bigger than a thumbnail, has been pinpointed as the origin of a chain of events that ended in the shutdown recently, at a cost of several hundred thousand pounds, of all the company's petrochemical production plants at Carrington, Manchester.

According to the company's magazine, the transistor was part of the trip circuit for the instrument air compressor. When it failed, the compressor tripped out. Then, starved of instrument air, the boilers stopped, leading to the shutdown of every piece of production plant.

The magazine has a positive ending to the story, though. The response of workers, many of them called out of bed to deal with the problem, was apparently rapid, professional and very efficient.

Off colour

Overheard in Harrods: "Arnold still enjoys painting the town red—but it's a long time nowadays before he feels up to giving it a second coat."

Observer

An economic panacea it is not

By John Plender

"FIRST, BRITAIN was out when it should have been in; then, when Britain went in, it could well have afforded to stay out." Thus Ralf Dahrendorf, distinguished academic and former member of the European Commission; and while he confesses to some oversimplification, the verdict looks altogether apt as far as Britain's economic interests are concerned.

Perhaps it was inevitable, at a point when British politicians were mesmerised by years of economic decline, that exaggerated claims should have been made for Community membership during the "great debate." Yet the sheer irrelevance of membership for Britain's subsequent economic performance is what strikes one 10 years on.

The energy crisis, the devastating impact of North Sea oil on the exchange rate and thus on British industry, the worst world recession for 50 years—all make a nonsense, for the moment at least, of the 1971 White Paper's claim that Britain's prosperity would be profoundly influenced by the decision on accession to the European Communities. Promise, if promise there was, has been deferred. Yet the pros and cons of membership still look like playing a disproportionate part in the pre-electoral economic debate this year.

That is not to say that there is nothing to argue about. Would it, to take the obvious question, have been worse if Britain had not gone in? The European Commission, which is busy rooting for the cause with a weather eye on the election, answers with a predictable yes.

In the 10 years since accession, it points out, Britain's trade with other member countries has grown fast. Exports from Britain to its EEC partners rose by 28 per cent a year on average between 1972 and 1980 in nominal terms (that is, before inflation), while imports rose by 24 per cent. Trade with the rest of the world increased by an average 19 per cent annually over the same period. British penetration of EEC markets has, moreover, improved across the board with the single exception of Ireland.

In a period when trade generally was expanding it would be surprising if access to an enlarged European market of 270m had not produced some net gains. But the Commission's enthusiastic account of growth in trade with the EEC must in the main reflect a diversion of trade from other sources. And any genuine trade creation has clearly not been enough to off-set other more significant influences, particularly those at work in the British manufacturing sector.

In 1980 some 43 per cent of British exports went to Britain's Community partners compared with 21 per cent in 1971. Eliminate fuel exports, however, and the figure in 1980 falls to 24 per cent. Moreover, in its trade in manufactures Britain has been consistently in deficit with the Community.

The story of rising oil revenues and progressive de-industrialisation is writ large in the figures for the first half of 1982 when the deficit with the Community in manufactured products amounted to £2.44bn. For motor vehicles alone the deficit was £1.21bn while for iron and steel, and textile yarn the deficits were £271m and £269m respectively.

According to the *Society of Motor Manufacturers and Traders*, which was one of the most vociferous pro-marketeers in the early 1970s, Community membership has so far had little influence on the overall picture. The poor performance of the vehicle sector since entry has, it argues, partly been a reflection of the all too familiar problems of the domestic industry; partly of the dramatic increase in "tied" imports—that is, imports by the big multi-national vehicle producers under British names such as Ford, Talbot and Vauxhall.

Similar considerations apply in other declining sectors. The removal of tariffs should have been specially helpful to producers of low value-added products in a declining domestic market since the scope for more competitive pricing and additional volume could have had a disproportionate impact on profitability.

For a majority of companies, however, the opportunities have gone by the board and those who feared for British industrial prospects in a more competitive market have yet to be proved wrong. The European Commission argues that Britain has been losing its competitive position in the world more slowly since 1973; and it points in evidence to the decline in Britain's ratio of exports and imports with the U.S. from 96 per cent to 66 per cent since then, while the same ratio with the EEC has remained static at 88 per cent.

Yet the relative movement in exchange rates looks a more likely explanation for the divergent trend. And all such arguments about trade—and jobs—beg a crucial question: what would have happened, and what economic and trade policies would have been adopted, if Britain had stayed out?

That unanswerable question deprives many pro-EEC arguments of visible means of support. And it is particularly relevant in considering claims for the benefits of a Community approach to solving the problems of the steel and textile industries.

It is not self-evident, most notably in the case of the steel dispute with the United States, that Britain would have emerged with a worse deal outside the Community. Nor that the alleged extra "clout" that Britain enjoys in other international trade negotiations through Community membership has won irrefutable benefits that would not otherwise have been forthcoming.

What, though, of the opportunities offered to Britain's growth industries in areas such as electronics and aerospace? For Labour, in the palmy days when Mr Tony Benn was more interested in the prospects for high technology than in life outside the Community, the scope for industrial collaboration seemed appealing.

The possibilities that European offers for longer productions runs and economies of scale are real enough. And after a slow gestation period, the Commission claims to detect a new mood among industrialists, reflected in projects to promote the infrastructure of the European micro-electronics industry and the ESPRIT programme to pool research on information technology.

So far, however, the figures are small beer; and a history of collaborative mishaps with individual projects, of which Concorde was the most visible, is taking time to live down. Too often economies of scale have been lost because national sensitivities have ended up dictating such things as the location and organisation of the manufacturing process.

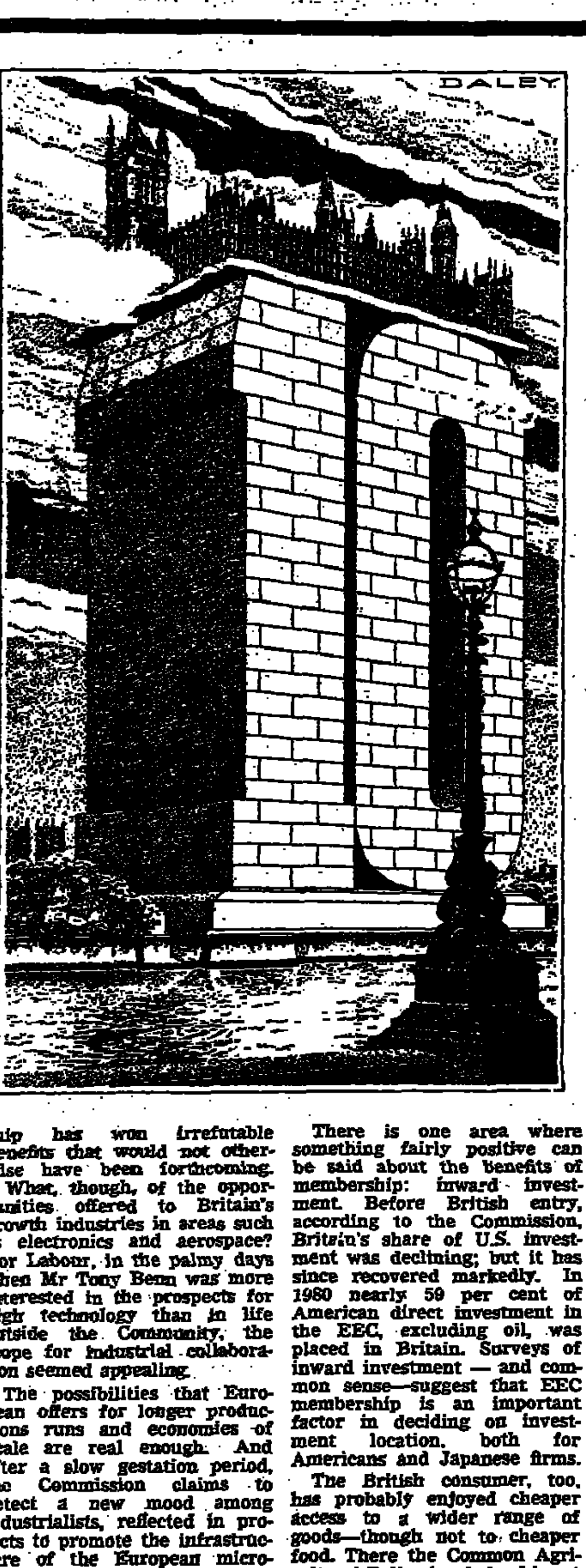
When opportunities do exist, as with the European Airbus, the British have been slow to climb aboard. They lack the French preoccupation with *defi Americain* and the *defi Japonais* in high technology (which at times admittedly looks more like the elevation of economic nationalism to a European plane than a search for industrial logic on a European scale).

There is one area where something fairly positive can be said about the benefits of membership: inward investment. Before British entry, according to the Commission, Britain's share of U.S. investment was declining; but it has since recovered markedly. In 1980 nearly 59 per cent of American direct investment in the EEC, excluding oil, was placed in Britain. Surveys of inward investment — and common sense—suggest that EEC membership is an important factor in deciding on investment location, both for Americans and Japanese firms.

The British consumer, too, has probably enjoyed cheaper access to a wider range of goods—though not to cheaper food. There the Common Agricultural Policy has helped boost farm incomes and exports at the cost of higher prices in the shops.

It was not primarily for this, however, that Britain joined the Community. And in the main, the case for continuing membership rests on future promise rather than past performance.

What can be said, in the run-up to the election, is that some kinds of economic strategy work better in a Community context than others; and that a policy of devaluation, which Labour advocates, would work far better if Britain stays in—unless one believes that Britain could leave the Community without having to face new tariff barriers. Either way, one uncomfortable message stands out: the Community wasn't, isn't and won't ever be an economic panacea. Other things count for more.



Britain's impact: a view from Brussels

By Emile Noel

Emile Noel has been secretary general of the European Commission since its creation in 1958 and is thus uniquely placed to assess Britain's impact in the Community. He offers here a personal view.

WITH THE approach of its tenth anniversary, a great deal is being said, much of it mutually contradictory, about the consequences of Community membership for Britain. Assessing the consequence of Britain's accession for the Community is an exercise which generates less heat, but which is at the same time more difficult since you cannot wheel up a battery of figures and statistics to establish your objectivity. So I well realise that I am sticking my neck out in offering this appraisal.

A century ago, a saying of the historian Alphonse Aulard became popular: "The Republic was at its best under the Empire." Could it be said today that "British membership looked so attractive when France was saying No"? Britain's membership of the Community is something we on the Continent regard as irreversible. At the same time, the conduct of its European policy in these 10 years has not always been such as to enable the Europeans of the Six to go on feeling as enthusiastic about it as they did when the Treaty of Accession was signed on January 22, 1972. What with the renegotiation in 1974 and the demand for "our money back" in 1979, the early glow has given place to a more realistic assessment of what their fellow-member state has brought the Community and what she wants from it.

First of all, the functioning of the Community. Enlargement imposed extra burdens on the machinery, but did not seriously impair its operation. The Commission dealt competently with the problems involved by the changeover from nine Commissioners to 13, and later 14, by a variety of practical measures. Council procedures were sometimes slowed down, but nothing really dire befell them. On the administrative side the institutions gained the services of new British officials, many of them first-class. The advent of British Members of the European Parliament brought fresh momentum and a spirit of enterprise and change even before direct elections. As regards the European Court, Britain has shown a greater respect for its judgements than the majority of member states.

The picture is more patchy as regards the common policies. Much was expected of Britain's contribution on research and technology, a point strongly emphasised in the debates preceding accession. What actually happened did not come up to those expectations. Britain made a respectable contribution to Community activities in this field, and thus was particularly recognised by the installation at Culham of the great plant designed to advance the work on the peaceful use of thermonuclear energy (the JET Project), but the hoped-for major breakthrough did not materialise.

The common fisheries policy has long been a bone of contention. The arrangements made by the Six during the accession negotiations posed serious problems for Britain, and also for Denmark. The extension of reserved fishing zones to 200 miles transformed the situation. Traditional fishing operations were jeopardised, and even prevented altogether, in the waters controlled by a number of third countries, while the bulk of the Community's fish stocks were to be found off Britain's coasts. Inevitably, discussion on how these could best be used and apportioned was tough and on occasion heated. The fact that we have come very close to agreement does credit to the spirit of co-operation shown by all concerned, and Britain in particular.

The position with regard to Britain and the common agricultural policy was, and is, more complex. British agriculture has adjusted superbly to the CAP. It will not be long before British producers are helping to swell the Community surpluses — if that is anything to be pleased about! At the same time the British public has remained allergic to the CAP, partly because of real defects, but partly because its picture of the CAP and of the other member countries' farmers is decidedly inaccurate. The backward, inefficient Continental farmer (who is nevertheless capable of producing massive surpluses) is still part of accepted thinking: he is more easily found in British newspapers than in the German, French or Italian countryside.

British criticism, while continuing to cause intense annoyance on the Continent, has nevertheless been of service in that it has triggered discussion and brought home the need to update the CAP. The European Commission accepts this, and the idea is gradually making headway. Real consensus on agricultural policy is today a feasibile medium-term objective, once some of the other budgetary and institutional issues have been resolved.

As against the stresses and strains which Britain's entry has involved, I must underline the new dimension it has given to the Community's external relations. Up to 1973 the Community was mainly concerned with its own internal development: as regards the Third World it had largely confined itself to co-operation with countries having links with former "mother countries." Britain's advent, coupled with the creation of Political Co-operation, changed the whole picture. In the space of a few years the tandem of the Community and the Nine—now the Ten—has become a major and respected partner in international affairs, whether they concern relations with the Eastern bloc, the North-South negotiations or the problems of the Middle East. The Community itself is confined only to straight trade agreements: It has concluded a whole assortment of economic co-operation agreements, and is a negotiating partner occasionally obejcted to but more usually sought after. To those who have witnessed the developments of the last 10 years it is unquestionable that Britain's contribution has been decisive in thus opening up the Community's outlook on the world.

* * *

I turn now to the political and institutional side, which, despite the erosion of time, remains vital in a Community whose founding fathers bequeathed it the highest aspirations. This aspect of Community has always been viewed with disfavour in Britain, a circumstance that could have led to grave trouble in the enlarged Community had it not been for the combination of pragmatism and European open-mindedness that has marked the policy of all British Governments in these 10 years.

Britain has been inclined to steer clear of new commitments going beyond the existing Treaties. Thus she does not belong to the European Monetary System, or to be accurate she is not a party to its most eye-catching feature, the agreement on exchange rates. We have no reason to despair of Britain's joining the others when she comes to feel the system really is a good one.

Right from the start, Britain made it clear that it set great store by the so-called Luxembourg compromise. In other words, it was determined to secure unanimous decisions wherever a major interest of hers was involved. Britain has certainly tried to make too much of what was a political understanding, not a formal undertaking. The result of its stance has been that, against its wishes, an important decision was taken for the first time by a majority—the fixing of farm prices in May 1982. Still, that vote may have put paid to an undesirable taboo, for since then several other significant majority decisions have followed—in the teeth of opposition from other countries—without the Council's starting to put anything and everything to the vote. It could be that the trend has set in motion will lead in the end to Community business proceeding more smoothly than in the past 15 years, which would be a good thing all round.

The Budget is still the burning issue in the Community today, with Britain firmly convinced she is in the right and the others more and more reluctant to let her have the refunds she wants, which indeed are pretty far removed from the letter and spirit of the Treaties. The old dictum *summum jus summa injuria* is very much to the point, for, as the European Commission freely admits, straight application of the provisions as they stand bears unfairly on Britain.

British demands in 1974, and again since 1979, have thrown the Community into disarray and brought it to the verge of break-up. Nevertheless, it may be that this crisis will result in progress, since it is increasingly coming to be realised that more financial resources for the Community are necessary to continued Community development—particularly with the impending accession of Spain and Portugal—and to correcting the budget imbalance against Britain. It is worth noting that the British Government, after long opposing the idea, has now accepted that in these circumstances more own resources could be both feasible and advantageous: no less a person than the Prime Minister herself has said so.

* * *

British membership of the Community thus presents a contratsing picture of light and shade. On occasion Britain has been a factor for progress. She has not always been easy to work with, but she has, sometimes against her original intention, represented a force for innovation and change. To sum up, I say unhesitatingly that the record for her membership to date is a positive one for the Community.

Cost to the consumers of cosseted farmers

By John Wyles in Brussels

THE COMMON Agricultural Policy has come to be seen in Britain as a sort of tribute to be paid for the privilege of belonging to the European Community. To opponents of membership the price is an unacceptable one; to its supporters a penance for not being in at the EEC's birth which they hope can eventually be disposed of by consistently pressing for reform from inside the Community.

If Britain had been present at the creation in 1956-57 it is doubtful if the CAP would have been very different. But it might have been more of a compromise between Britain's long-standing tariff-free approach to agricultural trade and the much more protectionist agricultural traditions of continental Europe.

Nevertheless, protection was written into the ark of the Community's agricultural covenant. The result has been that European agriculture has been able greatly to expand its production largely free of the disciplines which exposure to world prices might have imposed.

The politicians, meanwhile, have substituted few disciplines of their own. They have sought instead to operate the CAP as a social policy capable of conferring, through the price mechanism and a generous system of national aids in most EEC countries, adequate incomes for their farming populations. But their achievements have been patchy.

In the last ten years, rises in incomes have not kept pace with inflation across the Community, although there is evidence that prosperous large-scale farming has advanced while poorer small unit farmers have struggled to stand still. As far as Britain is concerned, the CAP has been beneficial for British farming, organised as it is on a highly productive large-scale basis.

It has been less benign for consumers who have been required to pay for food which has been priced at high Community levels without any real correspondence to generally lower world prices. Except for a period in the mid-1970s when EEC prices were lower than in world markets, the British consumer has been transferring resources to continental European farmers, while the nation as a whole has been making annual transfers to the EEC budget.

These became financially significant after 1979 when transitional arrangements governing Britain's budget payments came to an end. Both consumer and budget resource transfers are a result of Britain's relatively high dependence on imports which accounted for 51 per cent of food supplies in 1972 and 39.5 per cent last year. Before Britain joined the EEC, imports were purchased at around or slightly above world prices and farmers were kept from economic ruin by a deficiency payments system. This used to compensate them for any amount by which the average market price for their products fell short of guaranteed prices. EEC membership raised their market prices to higher real levels and kept them there through a system of intervention buying by public agencies.

Measurement of the consumer resource transfer is not easy because the results all depend on the assumptions made about what would be the level of food prices in the UK if it were importing at world, rather than Community, prices. It cannot safely be assumed that imports would come in at rock-bottom world prices, which may be 30 to 40 per cent below Community levels. The need for long-term supply arrangements like the old Commonwealth Sugar Agreement, would mean higher than world prices. In addition, prolonged recession would almost certainly have forced a British government to part-finance the agricultural deficiency payments system through some import levies on food.

Estimates which have been made of the extra cost to consumers vary widely. Wynne Godley of the Cambridge Applied Economics Department, calculated a trade transfer loss in 1978 of £317m while the Labour Party has quoted academic estimates of an overall impact on consumers in 1980 of £2.35bn.

The transfers required by the EEC budget are more easily quantified. Although the CAP's share of the budget has shrunk

British agriculture's rising output has pushed up the UK's share of CAP spending from just below 8 per cent in the late 1970s to close to 11 per cent.

from 80 per cent in the late 1970s to between 60 and 65 per cent now, it remains the dominant spending policy. To benefit most a member state must either be responsible for a substantial quantity of surplus farm produce, or it must be exporting volumes of produce to third country purchasers or both. The surplus producer attracts intervention payments from the EEC budget and the exporter, export subsidies.

British agriculture's rising output, undoubtedly stimulated by Community pricing, has pushed up the UK's share of CAP spending from just below 8 per cent in the late 1970s to close to 11 per cent. But the gap between this and the 21 per cent of the EEC budget contributed by Britain remains a large one.

The result is that Britain could now be paying around £1bn a year more to Brussels than she receives. In reality, the Conservative Government has cut back this part of the CAP tribute by political agreements with its partners. Total payments to Brussels were, as a result £219m in 1980-81 instead of £1.6bn and in 1982 they will amount to around £450m. But there is still no agreement for 1983 and beyond, and it is increasingly certain that this Government would take unilateral measures to reduce its payments rather than pay the full price of membership.

Taxpayers do still make a contribution to British farming through a variety of national aids costing around £350m a year. The inegalitarian aspect of putting the main financial burden on the consumer, particularly at a time of high or rising unemployment troubled the 1974-79 Labour government which attached increasing priority to sheltering the consumer from the full impact of the falling pound between 1976 and 1980. It was able to do so because of the "green money" system for translating common EEC farm prices into national currencies. At one time, Britain's "green rate" was 40 per cent higher than the actual exchange rate which meant that imports from elsewhere in the EEC were being subsidised down to British levels by the EEC budget. In the three years before 1977, common farm prices were raised in Brussels by 10.3 per cent a year, but were then kept below 5 per cent until 1981. National price rises were generally higher because of devaluations of the green pound, but the rate of increase in retail food prices in the UK first dipped below that of the retail price index in early 1978 and has remained below by up to 5 percentage points ever since.

Consumers have, however, undoubtedly been penalised by the reverse in Britain's "green money" situation which first arose in 1980. The actual sterling exchange rate climbed above the "green rate" in April of that year with the result that imports had to be taxed to raise them to domestic British price levels. If Mr Peter Walker, the Minister for Agriculture, had chosen to revalue the green pound, domestic prices would have fallen and so also would have the returns to farmers. The import tax continues although Mr Walker clearly expects that the pound's steady decline will soon remove it.

The corrollary of the import tax is a subsidy on British food exports which have risen steadily with rising productivity. In the past decade exports have increased six-fold to more than £3bn while imports have only trebled in value.

British farm incomes, however, have struggled to keep pace with inflation and, according to the Commission, were in real terms only 80 per cent of 1973 levels last year. But farmers' asset values have done very much better—the prices of agricultural land rose by 11.1 per cent a year between 1973 and 1979 in England, by 16 per cent in Wales, and 18 per cent in Scotland and 26 per cent in Northern Ireland.

The use of this land has also become more specialised and is worked by 60,000 fewer farmers than a decade ago. Those who remain have given an example of what a cossetted and protected industry can do—butter production up from 17 per cent to 57 per cent of national needs and cereals from 62 per cent to a net surplus. Overall, self-sufficiency in temperate foods has risen from 61 to 75 per cent.

Farming accounts for 2.1 per cent of Britain's gross national product and employs about the same proportion of its population. Even if the highest estimates of £3bn of CAP induced costs are true, these would still amount to less than 1.5 per cent of GNP. This is the price to be balanced against some of the more manifest advantages of Community membership.

FINANCIAL TIMES
Wednesday January 5 1983

FISHERMEN'S LEADER SAYS HE WILL RISK ARREST

Danes set confrontation course

BY OUR FOREIGN AND COMMODITIES STAFF

CONFRONTATION between Danish fishermen contesting new EEC fishing regulations and Britain's Royal Navy now seems inevitable.

Mr Kent Kirk, a militant Danish fishermen's leader left his home port of Esbjerg yesterday with some 20 journalists on his boat and another vessel chartered for safety reasons. He made clear he would probably enter Britain's 12-mile coastal zone and risk arrest.

Mr Kirk, who is also a conservative member of the European Parliament, announced he intended to catch 200 tons of sprats. He said he would follow the fish even if the hunt took him inside Britain's 12-mile coastal zone.

"If we had to do all our fishing outside the limit it would take us four or five days to reach our target of 200 tons of sprats, but if we can go inside the limit it would only take a day or two."

In the dispute's first reported incident, a British fishery protection vessel, Vigilant, last night intercepted a Danish boat fishing in a gale.

It was allowed to continue after a radio check, although Vigilant's captain said he would return for another look at first light.

If conditions improved inspectors could be put aboard to examine the Danes' nets and catch.

Mr Kirk contends that with the end of a 10-year interim fishing agreement last December 31, the Treaty of Rome stipulated that all EEC waters were available for fishing to all member countries – including inner coastal zones.

The nine other members of the EEC agreed a new common policy just before Christmas. Essentially this gave member countries exclusive fishing rights within six miles of their own coasts. Other countries were allowed limited rights in certain areas between six and 12 miles offshore.

Denmark's parliament rejected the new regime basically because it wanted to be able to catch more mackerel in UK waters, particularly off the west coast of Scotland. It also wanted improved rights in the so-called "Shetlands box", where Britain has special dispensations.

Mr Kirk, who has stocked his boats with beer, aquavit and food for the journalists, is expected to arrive off Newcastle upon Tyne tonight. There seems little doubt that should he start fishing tomorrow, he will be arrested by fishery protection vessels of the Royal Navy.

The UK Navy has 16 protection vessels equipped with Bofors guns. They are normally based in Rosyth, Fife. In addition, the Scottish Department of Industry has five vessels.

Although several other Danish boats have arrived off Scotland and may well fish for industrial species – as they are allowed to do with a 10 per cent by-catch of table fish – the focus of attention is on Mr Kirk. If arrested he faces a possible fine of £50,000 ($81,000) and confiscation of his gear and catch.

Mr Kirk has indicated he would welcome arrest since his ultimate aim is to take his case to the European Court of Justice. He contends that the EEC's fisheries policy is not legal because it was not unanimously agreed by the 10 member states.

Meanwhile, Mr Tom Hoeyem, Danish Minister for Greenland, criticised Mr Kent for his plan to fish within the 12-mile limit.

"It is a bad idea for Danish fishermen to enter the British 12-mile while we are arguing for the integrity of a 12-mile limit off Greenland," he said.

In Oslo, a coastguard official confirmed that fishing vessels from the EEC appear to have been observing the ban on fishing in Norwegian waters

Problems of enforcing fishery policy, Page 3

Arms cut call at Prague summit

By David Buchan in London

STRONG endorsement of recent Soviet disarmament proposals, designed to thwart Nato's deployment of new U.S. missiles in Europe this year, is expected from the political and military leaders of the Warsaw Pact at their summit meeting.

The meeting, which opened in Prague yesterday, is the Warsaw Pact's first summit for more than two years. It is attended by Communist Party leaders and defence and foreign ministers of the Soviet Union and its six East European allies.

The meeting provides Mr Yuri Andropov, the new Soviet leader, with the first formal opportunity to outline his plans for nuclear arms control to Warsaw Pact allies.

Mr Andropov has called for mutual reduction of more than 25 per cent in long-range U.S. and Soviet nuclear missiles. He has offered to reduce medium-range SS-20 missiles based in European Russia to the number deployed by Britain and France, or about 162, provided that Nato forgoes new cruise and Pershing weapons planned for later this year.

The Soviet leader has reiterated the late Mr Brezhnev's call for a mutual freeze on long-range missile production and deployment, as a first step in the Strategic Arms Reduction Talks (Start) with the U.S. He has also reaffirmed a Soviet commitment not to be the first to use force. The Prague summit can be expected to support these declarations.

Mr Andropov's SS-20 offer has stirred the most controversy in the West. It threatens to drive a wedge between nuclear-armed allies like the U.S. and France and non-nuclear armed countries like West Germany.

London and Paris speedily objected to Mr Andropov's attempt to add their missiles to the overall nuclear equation. The U.S., which is Moscow's negotiating partner in the Intermediate Nuclear Force (INF) talks, has formally rebuffed the Andropov plan.

Warsaw Pact conclaves have no public agenda. But the Prague meeting is certain to review military preparedness in the Eastern bloc. The Soviet Union is reported by U.S. intelligence to be hardening sites in East Germany of its "Frog" ans "Scud" medium-range missiles, in anticipation of the possible placement of Pershing missiles in West Germany should the INF talks fail to produce agreement.

Like the U.S. in Nato, the Soviet Union has put regular pressure on its allies to increase defence spending. The only major recalcitrant has been Romania, whose military expenditure has recently been declining in line with its somewhat independent foreign policy line.

Eastern bloc economic problems will be left for discussion at a Comecon summit expected to be held sometime this year. But the Polish press has made clear that General Jaruzelski, Poland's military ruler, will want to raise the issue of Western economic sanctions and possible retaliation at the two-day Prague session.

U.S. arms agency shake-up, Page 4

THE LEX COLUMN

UDS caught in Heron's beak

The Bank of England has set the gilt-edged market off to a decent start to the year with an encouraging set of provisional money figures. Banking December was only three weeks long but a rise of only half a per cent in sterling M3 and PSL2 still suggests only moderate growth in overall bank lending. Seasonally adjusted, the figure may have risen by just under £1bn, similar to the underlying growth reported by the clearers. Whether the aggregates remain so tame when loan demand from manufacturing industry finally picks up and the public sector turns expansionary is another matter.

UDS

Hot on the heels of the Woolworth takeover, the long-awaited bid for that other troubled retailer, UDS, was launched yesterday. Once again the institutions are playing a prominent role, with the pension funds of the National Coal Board, Post Office and British Rail shareholders in the newly formed and curiously named bidder, Bassishaw Investments.

The comparison with the Woolworth deal should not be stretched too far. On this occasion, Heron International is firmly in the driving seat, with 50 per cent of the Bassishaw equity, and the institutions are along for the ride in what is to become a private company. The offer is straight cash, without a paper alternative, so there will be no opportunity for existing shareholders in UDS to maintain their interest in the fortunes of the group. Moreover, unlike Woolworth, Bassishaw has made sure of a chief executive at the start; Mr Cyril Spencer is associated with the successful turnround of the Burton Group.

The heady prospect of a major rival being dismembered pushed Burton shares 13p higher yesterday to 315p. But the presence of the institutions in the Bassishaw consortium makes a crude property strip unlikely, at least in the short term. Individual UDS businesses with a reasonable track-record, such as the footwear, department stores and duty-free operation, may be sold as going concerns, but that still leaves an uphill struggle for the new management in putting John Collier, Richard Shops and the furniture division, among others, back on their feet.

The £191m bid compares with £256m of property assets in a relatively ungeared historic cost balance sheet. But UDS's falling profit record and slashed dividend leave little with which to construct a defence. One rare card may be the extent to which it has shared in the consumer boom of recent months.

Plessey

The recent strengthening of Plessey's position in the digital switching market on both sides of the Atlantic has made the group's telecommunications business look increasingly lop-sided. Last autumn's purchase of the public telephone exchange business of Stromberg-Carlson left Plessey with an enormous potential market for public switching equipment, but not the cable or satellite expertise to offer alongside.

Now Plessey has ventured back across the Atlantic to restore some balance. It is establishing a joint venture company with Scientific-Atlanta to tap the European market for the U.S. company's products and, in exchange, will give Scientific access to its switching technology.

In order to cement relations, Plessey plans to buy a stake of up to 13 per cent in Scientific which, at recent prices, would cost about $45m. The UK group clearly believes that might be the bargain of the year, however, since it has arranged an 18-month option to buy Treasury stock at a premium of about 75 per cent to the market price.

As with Stromberg, Plessey would be buying into a company which is temporarily feeling the heat of competition in telecommunications. Disastrous involvement with a cable-TV terminal product cut Scientific's earnings by 30 per cent in the year to June and the first quarter of 1982-83 has produced a loss.

Anderson Strathclyde

Anderson Strathclyde claims to have begun running its slide rule over National Mine Service (NMS) about a year ago, but its offer for 51 per cent of the U.S. company has been neatly timed to give maximum embarrassment to Charter Consolidated, the predator looming in its own wings. With NMS under its control, Anderson would have a strong argument to counter the critics' claim that it is overdependent on a single product and the National Coal Board's custom. Charter's possible riposte to the deal – that Anderson is buying a loss-maker – is likely to draw the piquant response from Anderson that another satellite in the Anglo American galaxy, which has an influential stake in charter, has already made a partial offer for NMS.

Even so, Anderson has to convince shareholders that it is making a sound counter-cyclical investment. NMS ran up net losses of $1.2m in the first quarter of this financial year, and is expected to be in deficit for the full 12 months, so the £20m of new borrowings raised for the transaction will mean an annualised drain of around £2m on Anderson's revenue account. In a net cash position at present, the group argues that it can easily carry the capital gearing of around 40 per cent implied by the offer. But Charter may now be less willing to renew its offer for Anderson at the levels approaching 200p which some shareholders were anticipating, and the shares reflected the doubts by falling 4p to 166p last night.

Mr Francis Pym

Qatar agrees to visit by Pym

By David Tonge in London

QATAR has now finally agreed to a visit next week by Mr Francis Pym, the British Foreign Secretary. This means only Saudi Arabia has openly rebuffed Britain for its recent refusal to raise the level of its dealings with the Palestine Liberation Organisation.

The Arab League said in November that it wanted a PLO representative to join a mission due to be received by the Queen, Mrs Margaret Thatcher, the Prime Minister, and Mr Pym.

The UK Government's view is that it should not change its terms for receiving the PLO merely to allow this visit to take place. It insists that the PLO should condemn terrorism and move further towards conditional recognition of Israel. It will continue to wait for replies to proposals made to the Moroccans before Christmas over ways in which the Arab League delegation visit to London might go forward.

But as Sir Anthony Parsons, Britain's former ambassador to the United Nations, started work yesterday as the first special adviser to the Prime Minister on foreign affairs, one of his first tasks was to bridge the serious divisions in the government over Britain's Middle East policy.

Mr Douglas Hurd, Minister of State at the Foreign Office, last night denied there had been any split between the Foreign Office and the Prime Minister's Office, but many Middle East experts fear that Britain's trade relations with the Arab world might be damaged by continuing strains over how Britain treats the PLO. There are no expectations of any trade embargo, but officials believe the danger lies to contracts where British firms are competing on close terms with companies from other countries.

The threat is thought to be a longer-term one. According to Mr Sinclair Road, director of Britain's Committee on Middle East Trade, the Saudis avoided raising the issue of the PLO during the annual meeting in Riyadh before Christmas of the Saudi-British joint commission on trade.

Fresh move to save stricken Belgian chain store group

BY GILES MERRITT IN BRUSSELS

FRESH efforts were being made in Brussels yesterday to mount a rescue operation for Galeries Anspach, the Belgian stores group. The signs are, however that at best only part of the stricken retailing chain can be saved.

The New Year decision by Galeries Anspach management to go into receivership has provoked angry reaction in Belgium and strong demands that financial institutions and the Belgian government should help to salvage as much as possible from the group's collapse.

Of the 900 redundancies declared at the weekend, it is hoped that some 300 jobs may yet be saved if the main Brussels city-centre store can be re-opened around mid-January. This store accounts for about half the group's BFr 3bn ($64m) annual sales.

The details of any concerted financial rescue bid are still far from clear. Galeries Anspach has in recent years received strong support from such institutions as Banque Bruxelles Lambert and from its 3,000 suppliers, many of which are group shareholders.

The store chain's losses are on a diminishing trend, having gone from BFr 490m in 1981 to a likely deficit of some BFr 200m for 1982 and a projected loss of BFr 100m for this year, Suppliers have nevertheless been forced to foreclose on themselves.

The political pressures for a financial rescue are partly a reflection of the store workers' prompt occupation of almost all the eight major stores in the chain. The pressures also owe much to the fact that Galeries Anspach, foumded in1898, is to Belgians as Selfridges is to the British or Macy's to New Yorkers.

Demands for a bail-out are strengthened by the level of resentment in Belgium against the role that foreign ownership has played in the group's decline over the past 10 years.

In 1971, Galeries Anspach was acquired by Sears, Roebuck of the U.S. but by 1976 its losses were running at BFr 1m a day. The business was sold to the Belgian De Bodt group, which rapidly re-sold it to Paris-based Agache-Willot.

It is the failure of the now bankrupted Willot group to repay a BFr 1.048bn loan secured from Galeries Anspach that is giving rise to Belgian claims that the country's most august retail chain suffered unfair treatment.

New hope of Saudi price cut

By Richard Johns in London

SHEIKH AHMED ZAKI YAMANI, the Saudi oil minister, yesterday continued talks in Geneva with senior executives of four major oil companies, amid rising hopes within the industry that Saudi Arabia would agree in the near future to trim its prices.

Exchanges are understood to have begun in London on Monday in secret in advance of the executive committee meeting of the Arabian American Oil Company (Aramco) originally scheduled for January 11.

The critical consultations involve the Saudi Government and the four partners in the operation of Aramco, Exxon, Standard Oil of California, Texaco and Mobil.

Among a particularly high-powered group of industry representatives were understood to be Mr J. L. Garvin, chairman and chief executive of Exxon, Mr G. M. Kellar, chairman and chief executive of Socal; and Mr William P. Tavaloureas, president of Mobil.

No final decision by Saudi Arabia is expected until after the meeting this weekend in Bahrain of oil ministers of the Gulf Co-operation Council, the political and economic grouping of conservative Arab producers including Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman.

Speculation has centered on a realignment of prices by the six states at $1.50 below the Organisation of Petroleum Exporting Countries' present reference price of $34 a barrel. The Kingdom, though the dominant power with rather more than a quarter of Opec's current production, is anxious to obtain the support of its GCC partners.

UK petrol price war, Page 8

Mobil pulls out of Libyan operations

BY PAUL BETTS IN NEW YORK

MOBIL, the second largest U.S. oil company, has withdrawn from all oil exploration and production activities in Libya and is taking the Tripoli Government to arbitration to recover damages it claims to have suffered.

The company said yesterday that it had notified Libya of its decision to withdraw from all oil operations on December 30. Mobil said it had not decided where specifically it would take the Libyan Government to arbitration.

Mobil is the second major U.S. oil company to leave Libya. Exxon, the world's largest oil company, withdrew in 1981.

Mobil declined to put a value on its Libyan assets. The company has been in Libya since 1955 and has had a 32 per cent interest in an oil concession which also includes Veba of West Germany and the Libyan Government. Its assets in Libya, however, are believed to be smaller than Exxon which received $95m as reimbursement for its intersets from the Tripoli Government.

Mobil appears to have encountered difficulties with Tripoli over compensation for its assets. Mobil had announced in November 1981 – shortly after the Exxon withdrawal decision – that it, too, was seeking to abandon Libya. It reversed this decision last July although it declined to say why it had changed its mind.

Libya is understood to have been disgruntled by Mobil's original decision in the winter of 1981 to leave the country.

Mobil claimed it was seeking arbitration to recover damages suffered as a result of actions taken by the Libyan Government in violation of the petroleum concession agreements entered into by Mobil in 1955.

The U.S. oil company said last night: "By unilaterally manipulating all prices, taxes and royalties over a period of years, the Libyan Government has destroyed the economic value of the concessions resulting in a fundamental breach and repudiation of the agreements between Libya and Mobil."

Mobil will seek to recover profits it claims to have lost because of the actions of the Tripoli Government, the value of the assets it has been forced to leave and the future profits it would have made if the Government had honoured the provisions and contentions of the concession agreements.

Anderson Strathclyde bids for U.S. group

BY RAY MAUGHAN IN LONDON

ANDERSON Strathclyde, the Scottish manufacturer of long wall mining equipment, is planning to pay $32.2m for a controlling stake in National Mine Service, a U.S. maker of mining plant.

Charter Consolidated, currently considering whether to renew its controversial bid for Anderson, is already, if indirectly, linked with National Mine through a purchase option held by another satellite controlled by Charter's major South African shareholders.

Charter has been advised by Britain's Takeover Panel that it must decide by January 18 whether to mount a new bid for Anderson. Two days after that deadline, Anderson will seek its shareholders' approval to launch a cash tender offer for National Mine at $12.50 per share for a 51 per cent stake.

In the middle of last month, however, Longyear Corporation of Minneapolis revealed that it intended to offer to buy up to a 24.7 per cent holding in National Mine at $11.50 per share. Both Anderson and Longyear have been contemplating a major investment for some time, although Sir Monty Finniston, chairman of the Scottish company said yesterday that Anderson's plans had been delayed by the bid from Charter.

Longyear is ultimately owned by Anglo American Industrial Corporation which, in turn, is 45.8 per cent controlled by Anglo American Corporation of South Africa and 25 per cent by De Beers Consolidated Mines. These two South African companies hold a 36 per cent stake in Charter through Minerals and Resources Corporation of Bermuda.

There was no indication from Charters yesterday whether it would vote its 28.4 per cent holding in Anderson against the tender offer proposals at the extraordinary meeting or when a new bid for Anderson will be launched.

Charter's £64m ($102m) bid was blocked, on a split vote, by the Monopolies and Mergers Commission last month but, unusually, the UK Government overturned the Commission's verdict last month giving Charter scope to make a new offer.

See Lex

Korfstahl in plea to Bonn

Continued from Page 1

Korf has run into difficulties both in its German businesses and in the U.S., where it operates a "mini-steel works," Georgetown Steel

In West Germany, it is seeking credit guarantees from the state of Baden-Württemberg of DM 40m to finance expansion at its Badische Stahlwerke subsidiary in the state.

Korf appears to be hoping that when the Federal Government in Bonn decides on what aid it should give to the West German steel industry as a whole. Korf Stahl will be able to participate in any agreed aid scheme.

Sweden issues $1bn Euronote

Continued from Page 1

non-bank investors as well as traditional holders of floating rate notes.

This has been achieved by making the 10-year paper redeemable at the noteholder's option, after the fifth and seventh years. By offering the notes effectively as five-year paper, they are more attractive to smaller investors. The minimum investment is $10,000.

In addition to CSFB a further 19 banks are involved as co-managers. CSFB is underwriting at least 25 per cent of the $1bn deal.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	13	55	Dubrovnik	C	12	54	Malaga	S	14	57	Salzburg	F	6	43
Akrotiri	R	11	52	Faro	S	12	54	Malta	F	15	59	Seoul	S	4	39
Algiers	S	16	61	Florence	Fg	7	45	Manila	S	31	88	Singapore	S	30	86
Amsterdam	C	9	48	Frankfurt	R	10	50	Miami	C	29	84	Stockholm	C	3	37
Athens	S	13	55	Funchal	S	14	57	Milan	C	4	39	Strasbourg	C	11	52
Bahrain	S	19	66	Geneva	C	7	45	Moscow	C	-10	14	Sydney	S	25	77
Bangkok	S	31	88	Gibraltar	S	15	59	Munich	F	10	50	Taipei	S	18	64
Barcelona	S	9	48	Guernsey	F	10	50	Nairobi	—	—	—	Tangier	S	15	59
Beirut	R	12	54	Helsinki	Sl	1	34	Naples	C	10	50	Tehran	—	—	—
Belgrade	C	5	41	H. Kong	C	18	64	New Delhi	C	19	66	Tel Aviv	R	11	52
Berlin	R	10	50	Innsbruck	Fg	2	36	New York	S	4	39	Tenerife	C	17	63
Biarritz	S	15	59	Inverness	S	4	39	Nice	S	12	54	Tokyo	S	9	48
Blackpool	F	7	45	Istanbul	F	5	41	Oporto	S	8	46	Toronto	C	2	36
Bordeaux	R	11	52	Jersey	C	11	52	Oslo	R	5	41	Tunis	F	16	61
Brussels	F	11	52	Jo'burg	S	30	86	Paris	F	13	55	Valencia	S	14	57
Budapest	C	4	39	Las Palmas	F	18	64	Prague	C	7	45	Venice	C	4	39
B. Aires	C	27	81	Lima	S	28	82	Reykjavik	Sn	-5	23	Vienna	R	10	50
Cairo	C	15	59	Lisbon	S	7	45	Rio de J'o	R	32	90	Warsaw	R	3	36
Cape Town	—	—	—	Locarno	S	5	41	Rome	C	11	52	Zurich	C	8	46
Caracas	C	27	81	London	F	11	52								
Casablanca	C	13	55	Los Angeles	S	22	72								
Copenhagen	R	6	43	Luxembourg	R	8	46								
Corfu	S	14	57	Madrid	S	6	43								
Dublin	F	5	41	Majorca	S	15	59								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday January 5 1983

Kodak aims to cut jobs through early retirement

BY PAUL BETTS IN NEW YORK

EASTMAN KODAK, the U.S. leader in the photography business, yesterday announced an early-retirement programme available to most of its 93,000 U.S. employees.

The move is a response by the management to the continuing disappointing general economic outlook. In a letter to employees Mr Walter Fallon, chairman, explained that the economic recovery the company had hoped for had not materialised.

"Many observers now forecast only modest growth in the U.S. economy during 1983 and continuing turbulence abroad where more than a third of our domestic production is marketed," Mr Fallon said.

The recovery in the longer term was likely to proceed at rates perhaps half those experienced after previous economic recessions.

Although many leading U.S. companies have introduced early-retirement plans for employees during the past 12 months in response to the economic recession, the Kodak decision is significant in that the photography company has fared better than most in recent months. Moreover, Kodak has traditionally been one of the most paternalistic of all major U.S. corporations.

Although Kodak has done better than most, Mr Fallon said this had not happened without cost. Earnings had suffered and margins had declined. The company reported a 9 per cent decline in third-quarter earnings compared to the same period the previous year. For the third quarter of 1982, Kodak's profits fell to $303.9m, compared with $334m the year before.

Mr Fallon was optimistic, however, about sales. He claimed the company's new disc camera system was an established success.

"Planned additions to our line of copier-duplicators will sustain growth in that business," he added. "Work goes forward to enhance the value of Kodak products in every market we serve. All this is positive but none of it makes sense unless we do what must be done to protect earnings."

Mr Fallon said that although the company saw continued growth in its business, it had become clear that the current level of employment at Kodak was high in relation to the economic outlook.

The optional retirement programme will be available to all Kodak employees in the U.S. except the Eastman chemicals division and Kodak's Atex subsidiary.

Kodak's U.S. employment rose from 91,899 at the end of 1981 to 93,200 people at the end of last year. Most employees work at Rochester in upstate New York – a city that has become known as "Kodak City."

Hong Kong move on DTCs

BY ROBERT COTTRELL IN HONG KONG

THE HONG KONG banking authorities have revoked the registration of one company and suspended the registration of four more in the latest moves over the colony's troubled deposit-taking company (DTC) sector.

The decision follows an official review of the liquid assets held by DTC's during November 1982 and comes after a mini-crisis in the sector late last year.

The review found shortages at Axona International Credit and Commerce, Hongkong Deposit and Guaranty, Tetra Finance and Whitehall Finance. These four have had their registrations suspended, with trading in the shares of Whitehall suspended at the company's request.

Hong Kong's Commissioner for deposit-taking companies, Mr Colin Martin, said the companies had been given "a reasonable period of time" to restock their liquid assets, but had been unable to do so. The suspended companies must cease taking new deposits from the public.

The DTC that had its licence revoked is Dollar Credit, already the subject of a winding-up order obtained by 11 creditor banks. Dollar Credit has total liabilities of some HK$660m (U.S.$100m).

Of the four suspended companies, Axona, Tetra and HK Deposit had acknowledged their difficulties previously in public statements and said they were seeking a joint support from U.S. sources. Whitehall had issued a statement in November denying that it was in financial trouble.

Sandoz to acquire Occidental subsidiary

By Our Financial Staff

SANDOZ, the Swiss chemical concern, has reached agreement in principle with Occidental Petroleum to acquire Zoecon, an Occidental subsidiary specialising in chemicals to protect plants.

The companies expect to conclude the transaction in the first quarter of this year.

Zoecon, based in Palo Alto, California, develops and markets high-grade chemicals used in plant protection.

Sandoz said the transaction would be carried out through Sandoz United States. Ring Around Products, a seed company belonging to Zoecon, is not included in the deal.

The sale of Zoecon corresponds to the declared policy of Occidental Petroleum to reduce its activities and assets after the Cities Service takeover.

The Zoecon acquisition is the fourth major acquisition by Sandoz since 1974 and the third major one in the U.S.

The key acquisition was of Northrup King of Minneapolis, one of the largest U.S. seed producers, in 1976. That was a major step in the evolution of Sandoz from a market newcomer in the field of agricultural seeds to the world's second-largest supplier.

Gotthard Bank gross profits ahead by 77%

By John Wicks in Zurich

THE Lugano-based Gotthard Bank intends to pay an increased dividend for 1982 despite a substantial write-off in connection with the Ambrosiano group. Some 45 per cent of the bank's capital is controlled by Banco Ambrosiano Holding (Luxembourg), pending its sale to outside interests.

Gross profits of Gotthard Bank jumped 77 per cent last year to SwFr 61.3m ($31m) without any reduction in internal reserves.

Of this sum, about SwFr 35m is earmarked as provisions and depreciation "deemed opportune particularly in respect of the events involving the Ambrosiano group."

The remaining net earnings total of SwFr 26.1m compares with a 1981 figure of SwFr 25.5m and will be used to pay a higher annual dividend of 13.2 per cent.

Uddeholm sells plants to cover losses

By William Dullforce in Stockholm

UDDEHOLM, the Swedish special steels group, is covering its 1982 losses – expected to be the largest in its history – by selling part of its hydro-electric power assets.

It has sold six power plants to SPP, a Swedish pension fund. The price has not been disclosed but is understood to be around SKr 700m ($96.5m). The six plants comprise some 35 per cent of Uddeholm's hydro power assets.

At the eight-month stage, Uddeholm reported a pre-tax loss of SKr 328m, including realised and unrealised currency losses of SKr 124m. The losses reflected the Swedish concern's large dollar debt while net financial charges of SKr 193m accounted for most of the rest of the pre-tax loss.

Mr Sören Gyll, managing director, said that the sale of the power plants was not connected with the financial reconstruction of Nyby-Uddeholm, the group's stainless steel subsidiary.

Cartel Office move on Ytong

By Leslie Colitt in Berlin

THE West German Cartel Office has ordered Ytong AG, the leading German producer of concrete products in Munich, to discontinue its sales system, which it calls "discriminatory."

The Cartel Office said Ytong requires its customers, some 750 German dealers in construction materials, to carry only Ytong products and gives them a 2 per cent annual discount for doing so.

The West Berlin-based office said this obligation restricts competition. The customers are said to be illegally limited in their freedom of economic action, while the competition is prevented from making sales to construction companies.

Ytong is a subsidiary of the Swedish Yxhult AB. The decision of the Cartel Office is not yet legally effective, pending a possible appeal by Ytong.

Total outlines expanded uranium mining activity

BY DAVID MARSH IN PARIS

THE TOTAL group, France's leading oil concern, has expanded its uranium mining business as part of its diversification in the energy field.

The 40 per cent state-owned parent company, Compagnie Française des Pétroles (CFP) has become the country's second largest force in uranium mining, after the nationalised Cogema concern, through two separate deals which were finalised at the end of last year.

CFP bought from the Empain-Schneider group a controlling interest in Compagnie Minière Dong-Trieu, France's second biggest uranium producer, at a price of FFr 300m ($22.4m). It also took over complete control of the Minatome mining group by buying from the nationalised Pechiney Ugine Kuhlmann, the 50 per cent of shares in the concern it did not already own.

The acquisitions give Total uranium reserves in France of around 9,000 tonnes, as well as considerable interests in uranium mining abroad

Total views the move into uranium as a bid to break into the business relatively cheaply when the world uranium price is depressed.

France's domestic uranium mining and enrichment sectors are suffering from over-capacity. But Total believes that the long-term perspectives for uranium are financially sound.

Last year, according to figures just published by the state utility, Electricité de France, 38.7 per cent of the country's electricity was generated by nuclear power, against 37.7 per cent in 1981. The Government hopes to boost the share to 70 per cent over the coming decade.

Presently-recoverable uranium reserves in France – the bulk controlled by Cogema – are put at around 75,000 tonnes.

Dong-Trieu produced around 250 tonnes in 1981 and has the potential to mine around 450 tonnes annually.

Together with Minatome, the two companies have mining interests around the world, including Canada, the U.S., Australia, Niger, Gabon and Namibia.

Apart from supplying domestic nuclear plants, the French uranium industry has become keenly interested in boosting deliveries abroad to back up exports of French nuclear power plants.

INTERNATIONAL CAPITAL MARKETS

Jordan in $200m Eurocredit

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

JORDAN is raising $200m in the Euromarkets through a seven-year credit bearing a margin of ½ per cent over London Eurodollar rates.

The credit is the country's first since a $100m borrowing signed in September 1980, but it comes at a time when several Arab countries are cashing in on their scarcity value in the Euromarkets to raise loans, often on relatively favourable terms.

Among other deals is a $125m credit for Tunisia which also bears a ½ per cent margin, while Oman is understood to be considering a $200m to $300m credit. Such loans have considerable appeal for Arab banks, which, following the succession of debt crises in Latin America, now appear keen to turn towards regional borrowers for new business.

The Jordanian credit is being led by Arab Bank Investment Company, which is this week seeking joint lead managers to underwrite $15m apiece. Subsequently it will be put into general syndication though not on a particularly broad basis. Repayments begin after a grace period of three years and lead managers will receive fees of 0.1 per cent on their underwriting commitment together with 0.6 per cent on their final contribution.

Among other deals, the more controversial $500m, five-year credit for Iraq's Rafidain Bank has now attracted firm commitments from six co-lead managers willing to put up $20m apiece. The banks are National Commercial Bank of Jeddah, National Bank of Abu Dhabi, Commerzbank, United Gulf Bank and Bank of Bahrain and Kuwait.

Two or three other banks are understood to be looking favourably at the deal which could lead to a total of eight to ten banks joining the credit at the second tier level

Philippines may raise $150m credit

BY EMILIA TAGAZA IN MANILA

THE STATE-OWNED Development Bank of the Philippines (DBP) plans to raise a total of $150m of Eurocredit this year, according to Mr Cesar Zalamea, its chairman.

The first tranche of $75m is being readied for syndication as soon as a $300m loan, currently being negotiated by the country's central bank, is finalised in Hong Kong.

Last year, DBP raised $75m from the Hong Kong-based merchant banking arms of Lloyds Bank, Citibank and the Long-Term Credit Bank of Japan. Last year's amount was for 10 years, with a spread of 0.75 per cent above the London interbank offered rate (Libor).

According to Mr Zalamea, the terms of the first $75m loan raised would be based on those of the $300m syndication being finalised. "The DBP may be able to clear the market for a similar eight-year loan, but the spreads will definitely be tougher," he said.

The central bank and the lead managers of the $300m loan have agreed on a maturity of eight years and a mix of interest spreads, based on the U.S. prime rate and on Libor. The central bank said that 40 per cent of the total loan, or $120m, will carry a spread of ⅝ per cent over Libor, while the balance of $180m will be priced at a margin of ½ per cent over the U.S. prime rate.

Manufacturers Hanover is acting as the loan's main co-ordinator and the other lead banks include the Bank of America, Citibank, Chase Manhattan, Bank of Tokyo

Consortium offers £191m for UDS

By John Moore in London

MR GERALD RONSON's Heron International, with a group of pension funds, investment trusts, and the former executive chairman of the Burton Group, has mounted a £191m ($309m), takeover bid for UDS Group, the UK stores company.

But the move by Heron and the institutions is likely to be hotly contested by UDS. Sir Robert Clark, who took over as chairman of UDS at the beginning of this year, is to meet with his board today.

He warned last night that the offer of 100p for each UDS share was "not too great," adding: "We will be holding out for a great deal more."

On the London stock market yesterday shares of UDS rose 6p to 95p.

The takeover bid for UDS whose stores include John Collier and Richard Shops, is being mounted through a newly-formed company called Bassishaw Investments. The ultimate shareholders of Bassishaw, who are providing funds of £135m, are Heron International, the holding company of Mr Ronson's petrol station to property empire; the pension schemes of the National Coal Board, the Post Office and British Rail. The other shareholders are RIT and Northern, the UK investment trust group, and the Ailma Investment Trust.

Mr Cyril Spencer, who received compensation of £120,000 when he was replaced as chairman of Burton group in 1981, is also to be a shareholder in the new company.

Mr Spencer will join the board of Bassishaw, which will also consist of Mr Ronson, and Mr Hugh Jenkins of the National Coal Board Pension Funds, as the representative of the institutional investors.

The rest of the finance for the bid is to come through a bank facility, arranged by Barclays Merchant Bank.

Heron and the institutions said yesterday that UDS has had an unsuccessful trading record for several years. "Over the past three years, the profits before tax have fallen from £24.1m in the year ending February 1980 to £13.7m in the year ending January 1982."

The underlying trading position continues to deteriorate, said Heron and the institutions, with trading profits down to £3.46m for the 28 weeks ending July 31 1982, from £3.55m for the corresponding period in 1981.

INTL. COMPANIES and FINANCE

Eurobond market in brisk New Year start

By Alan Friedman in London

THE Eurobond market started the New Year briskly yesterday, with the record-breaking new $1bn Sweden issue and active secondary trading activity in the dollar, D-Mark and Swiss franc sectors.

Aside from Sweden's jumbo, three other issues are on offer in the Eurodollar bond market. Credit Agricole's $100m seven-year 11¼ per cent issue appears to be getting a reasonable reception, being quoted at a discount of around 1¼ per cent.

The Credit Agricole bond issue, led by Paribas, Daiwa Europe and Morgan Stanley, involves an interest-rate swap transaction whereby a counterparty undertakes to pay the 11¼ per cent coupon and provides the French bank with floating rate debt instead. The paper is 20 per cent payable now and the balance is due next July.

Nova Scotia came to the Euromarket yesterday with a $100m 15-year 11¼ per cent issue led by UBS Securities in London. The Single A-rated paper, callable after 10 years at 102½, was last night quoted at a 1½ per cent discount in the pre-market.

Yesterday also saw a rare appearance in the Eurodollar sector by a British company. Allied Lyons, the foods and brewery group, is seeking $75m with an 8-year 11¼ per cent issue led by County Bank and Samuel Montagu.

The company has already tapped the sterling bond market, but this is its first foray into dollars. Only 25 per cent of the purchase price is payable (on February 10) and the balance is due next August.

Prices of fixed-interest Eurodollar bonds were marked ¼ to ½ point higher last night after a day of fairly buoyant trading. The dollar sector is starting 1983 with a bang and is increasingly conscious that it offers an alternative to the international syndicated loan market.

In the Eurosterling bond market, a £30m seven-year issue is being launched for Norsk Hydro, the holding company which is 51 per cent owned by the Norwegian Government. Hambros is leading the issue, which provides a 12 per cent coupon at 99, suggesting an issue price yield of 12.22 per cent. The paper may be redeemed at the holder's option at the end of the fourth year at 101½.

From Switzerland comes word of a new World Bank SwFr 100m 10-year foreign bond with a yield indicated at 5¾ per cent. Swiss Bank Corporation is lead-manager.

The flow of Japanese borrowers in Switzerland is continuing as well, with a SwFr 40m five-year private placement for Best Denki Company (electrical goods) being arranged by Credit Suisse. The indicated yield is 6¼ per cent.

Prices in the Swiss franc foreign bond sector are up ¼ to ½ point on the back of declining interest rates and the relatively weak U.S. dollar. Short-term Swiss franc rates have been cut again and the six-month rate is down to 2¾ per cent, which compares to a six-month Eurocurrency Swiss franc rate of 3½ per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for January 4.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 88/97	150	109⅝	109⅞	+0⅝	+0⅞	11.27
Amex O/S Fin 14¼ 89	75	106¾	107¼	+0⅝	+1	12.53
Amro Bank 13 89	200	105⅝	106⅛	+0⅞	+1⅜	11.73
BHP Finance 14¾ 89	150	107¾	108¼	+2⅝	+2⅞	12.79
Bk America NT & SA 12 87	200	103¾	104¼	+0⅝	+2⅜	10.78
Bk Montreal 14½ 87	100	106¾	107¼	+0½	+1⅜	12.32
British Col Hyd 14⅞ 89	200	109⅝	110⅛	+0⅝	+1	12.27
British Col Hyd 15¼ 92	150	114⅛	114⅝	+0½	+1½	12.84
Canada 14⅜ 87	750	110½	111	-0¼	+1⅜	11.42
Canadair Ltd 12½ 89	175	103⅞	104⅜	+0⅝	+1⅝	11.58
Canadian Wheat 11¼ 90	50	98¾	99¼	+0¼	+0⅝	11.48
Can Pac Sec 14⅜ 92	75	107	107½	+0½	+1	13.19
Can Pac Sec 15 89	75	106⅝	106⅞	+0⅛	+1	13.35
Citicorp O/S 15 84/92	100	106⅝	106⅞	0	+0⅝	9.98
Coca Cola Int 11⅜ 89	100	105⅛	105⅝	+0⅞	+1⅞	10.57
Credit Suisse 10½ 89	100	101	101½	+0⅛	+1⅛	10.23
Deutsche Bk Fin 14¼ 89	300	108⅝	109⅛	+0⅝	+1⅜	12.18
Du Pont 11⅛ 95	150	100	100½	+0¼	+1⅛	11.21
Du Pont 14⅛ 89 WW	200	107½	108	+0⅛	+1⅜	12.31
E.D.C. 10⅝ 88	100	98¾	99¼	+0⅛	+0⅞	11.12
E.D.F. 12⅝ 87	150	102⅝	103⅛	+0⅝	+1⅛	11.88
E.I.B. 15½ 92	100	110¾	111¼	+0½	+1⅛	13.36
Exportfinans 14½ 89	50	105¾	106¼	+0⅛	+1	13.08
Exp Dev Corp 11¾ 87	100	101⅞	102⅜	+0⅛	+1⅞	11.17
Forsmarks 13¾ 92	75	103½	104	+0⅝	+0⅞	13.02
Gaz de France 12¼ 93	175	19⅛	19⅝	+0⅛	+0⅝	12.31
Gen Elec Credit 12 88	100	105⅛	105⅝	+0⅛	+1⅞	10.71
Getty Oil Int 14 89	125	107⅜	107⅞	0	+1⅛	12.16
GMAC O/S Fin 15 87	100	107⅝	108⅛	+0⅝	+1⅜	12.49
GMAC O/S Fin 15 88	125	108¼	108¾	+0⅝	+1⅝	12.91
Gulf Oil Fin 12⅛ 87	100	104	104½	+0½	+2	11.02
IBM World Trade 12¼ 92	200	106¾	107¼	+0⅝	+2	11.02
Manitoba Prov 11¾ 89	125	103⅝	104⅛	+0⅝	+2⅛	10.90
Manitoba Prov 13¾ 89	100	106⅞	107⅜	+0⅝	+1¾	12.11
Midland Int Fin 11½ 92	150	99½	100	+0⅝	+1⅝	11.53
Nat West Fin 11⅝ 92	150	100¾	101¼	+0½	+1	11.66
New Brunswick 15¼ 87	75	109⅝	110⅛	+0¼	+1⅛	12.24
Newfoundland 15½ 90	75	109⅝	110⅛	+0⅝	+0⅝	13.31
Nova Scotia Pro 15¼ 89	75	112	112½	+0⅛	+1	12.37
Ontario Hydro 12⅜ 92	200	105⅝	106⅛	+0⅞	+2⅛	11.65
Ontario Hydro 14⅜ 89	150	110⅝	110⅞	+0¼	+1⅝	12.28
Ontario Hydro 15 92	150	113½	114	+0⅝	+1⅜	12.43
Phillips Petrol 14 89	200	107	107½	+0⅛	+1⅛	12.25
Prudential O/S 12⅜ 87	150	105⅛	105⅝	+0⅝	+1½	11.14
Quebec Hydro 11½ 92 D	100	98⅛	98⅝	+0⅛	+2⅛	11.75
R. J. Reynolds 12⅜ 89	100	104½	105	+0⅛	+2	11.06
Saskatchewan Prov 15 92	150	112	112½	+0⅝	+2	12.68
Shell Canada 14⅜ 92	125	107⅝	108⅛	+0⅛	+1⅜	12.84
Superior O/S Fin 14 89	125†	106⅝	107⅛	0	+1⅛	12.31
Swed Exp Credit 14⅜ 88	100	106⅝	107⅛	+0⅝	+1⅛	13.16
Texas Eastern 15⅝ 89	80†	109½	110	+0⅝	0	10.84
U.B.S. 10⅜ 87	200	103⅜	103⅞	+0⅛	+1	9.78
U.B.S. 11 89	150	103⅝	104⅛	+0⅝	+1⅛	10.15
Walt Disney Pro 12½ 89	75	105¼	105¾	+0½	+1⅜	11.28
World Bank 10⅞ 90	200	98¼	98¾	+0⅞	+1½	11.19
World Bank 11⅛ 88	100	98⅛	98⅝	+0⅝	+1½	11.35
World Bank 13¼ 87	300	106½	106⅞	+0½	+1⅝	11.48

Av. price changes: on day +⅜, on week +1½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	100⅞	101⅜	+0⅛	+0¾	8.08
Asian Dev Bank 8¼ 92	150	99⅝	100⅛	+0⅝	+1½	8.28
Asian Dev Bank 9¼ 92 (AB)	150	104⅞	105½	+0⅝	+1½	8.44
Australia 7⅜ 92	200	104⅞	105⅝	-0⅝	+1	7.01
Bayer Capital 7⅝ 89	150	101⅛	101⅝	0	+0½	7.36
Beecham Fin 8⅛ 92	125	102⅜	103½	-0⅛	+0⅛	7.65
Black & Decker 9⅛ 89	100	105⅝	106⅛	+0⅛	+0⅝	7.92
Bowater Int Fin 8½ 89	50	101⅞	102½	-0½	-0⅛	8.05
Caisse Nat Tele 9½ 92	100	105⅝	106⅛	0	+1⅛	8.58
E.C.S.C. 8 94	200	102⅜	102⅞	+0⅛	+1½	7.65
E.E.C. 8 94	200	102⅝	103⅛	0	+1½	7.63
E.I.B. 8⅛ 92	200	103	103½	0	+1½	7.75
GKN 8⅛ 89	100	98⅞	99½	-0⅛	+0⅛	8.54
Gould Int Fin 8¼ 89	75	102½	103	-0⅛	+0⅛	7.72
Ireland 8⅞ 91	150	97⅞	98¼	0	+0½	9.24
ITT Antilles 9⅝ 92	100	106⅝	107⅛	-0⅛	+0⅝	8.16
Mitsubishi Heavy 7⅝ 87	150	100⅝	101⅛	0	+0⅝	7.40
Norsk Hydro 8½ 92	100	106⅝	107⅛	+0⅝	2⅞	7.44
Norsk Hydro 9 92	100	106¼	107	+0½	+0⅞	7.98
O.K.B. 8⅞ 89	100	103½	104¼	+0⅝	+1⅞	8.08
Philips Lamps 8½ 92	100	106¼	107	+0⅝	+0⅝	7.49
Tenneco Int 9 92	100	105⅝	105⅞	-0⅜	-0⅝	8.11
World Bank 8¼ 92	200	103	103½	0	+1	7.74
World Bank 9 92	200	105⅝	106⅛	0	+1	8.03

Av. price changes: on day +⅛, on week +1

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austrian Elec 6¾ 92	100	104⅞	105¼	+0¼	+0⅛	6.05
B.F.C.E. 6¼ 92	100	101¼	101½	+0⅝	+1⅛	6.06
City of Oslo 6⅛ 92	100	105⅛	105⅝	-0⅝	-0½	5.54
E.E.C. 6½ 92	100	103⅞	104⅛	+0½	+1	5.70
E.I.B. 6¼ 92	100	103⅞	104	+1	+0⅞	5.72
Elec de France 6⅞ 92	100	105⅝	106⅛	-0⅝	+0⅝	6.02
Elec Power Dev 6½ 92	100†	106	106½	+0⅝	+1½	5.84
Europarat 6⅜ 92	100†	105	105½	0	+2	6.04
Ind Bk Japan 6¼ 92	100	103⅞	104⅜	+0⅝	+1⅜	5.70
Japan Air Lines 6 94	100†	105	105½	+0⅝	+1½	5.40
Kawasaki Steel 6½ 92	100	102	102½	+0⅝	+0½	6.20
KLM Dutch Air 6⅜ 92	80	104⅞	105⅛	+1⅜	+3⅜	5.96
Kao Oil Co 7 92	75	105	105⅝	+0½	-0½	6.23
Mont Blanc Tun 7½ 92	70†	104⅞	105⅛	+0½	+0⅝	6.41
Montreal Urban 6½ 92	100	104⅞	105⅜	+0⅝	+0⅝	5.81
New Zealand 5⅞ 92	100	101⅝	101⅞	+0⅝	+0⅝	5.82
Norges Kommbk 6⅛ 92	100	105⅝	106⅛	+0⅛	+0½	5.45
Philip Morris 5¼ 92	100	103	103⅛	+1	+1½	4.84
Philips Lamps 5⅝ 92	100	103⅜	104	+0½	+0⅝	5.23
Sumitomo Metal 6⅜ 92	100	103	103½	0	+1¼	6.28
Swed Exp Cred 7¼ 91	100	105	105½	+0¼	+1	6.43
Sweden Kingdom 5⅞ 92	100	100½	100⅞	+0⅝	+1⅛	5.79
TNT O/S Fin 6⅜ 92	100	103⅛	103⅝	+0⅝	+1⅜	6.39
Tokyo Elec Power 5⅝ 92	100	102	102½	+0⅝	+1⅛	6.59
Tokyo Metropolis 5⅝ 92	100	100⅛	100⅝	+0⅛	+1⅛	5.34
World Bank 6¼ 92	100†	104½	103⅝	+0⅝	+1⅛	5.62

Av. price changes: on day +⅛, on week +1

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	106⅝	107⅛	0	+0⅝	7.61
E.I.B. 8⅛ 92	15	103½	104⅛	+0⅝	+1⅝	7.65
Japan Airlines 7⅝ 87	9†	102¼	102⅜	+1	+1⅛	7.15
New Zealand 8⅝ 87	15†	105	106	-0¼	+1	7.82
World Bank 8⅜ 92	20†	105⅝	106½	+2¼	+3½	7.46

Av. price changes: on day +⅛, on week +1⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	112¾	113¾	0	-0⅛	13.67
Can Utilities 17 87 C$	35†	112¾	113¾	0	+0⅛	12.94
Gaz de France 15 89 C$	75†	105½	106½	-0⅛	+2	13.57
Gaz Metro 17¼ 90 C$	20†	108	109½	0⅛	+0½	15.18
O.K.B. 16¼ 88 C$	83†	110	110½	0	+1⅛	13.41
Quebec Hydro 14 92 C$	60†	107½	108	0	-1	12.67
Univ Quebec 16⅞ 87 C$	17†	104	104½	0	0	15.18
E.I.B. 12⅞ 90 Ecu	80	104½	105½	0	+1⅞	11.84
Amfas 9½ 87 Fl	60	106½	106⅝	+0½	-2⅝	7.88
Amro Bank 9½ 87 Fl	100	108½	108⅝	-0⅞	+2	7.38
Nedr Middl 9⅞ 87 Fl	100	108⅞	107⅜	+0⅝	+2¼	7.47
Nedlloyd Grp 10¼ 87 Fl	75	109¼	109⅞	+1	+2½	7.82
Van Lanschot 10⅛ 87 Fl	50	107⅛	108⅛	-0⅛	+0⅞	8.11
World Bank 10 87 Fl	100	108⅛	108⅝	-0⅝	-1¼	7.58
O.K.B. 14 88 FF	400	96⅝	97⅝	-0⅛	0	15.18
Solvay & Cie 14⅜ 88 FF	200	95¼	96⅝	0⅝	-0⅛	16.33
B.F.C.E. 14½ 87 £	30	106½	107½	-0⅛	+1⅛	12.31
B.N.P. 13½ 91 £	15	102½	103½	-0¼	+0⅝	12.95
C.E.C.A. 13½ 88 £	20	102⅝	103⅝	0	-0⅛	12.68
C.N.T. 12½ 89 £	20	100½	101½	0	-2⅜	12.33
Fin For Ind 12⅛ 88 £	30	101½	102½	0	+1⅛	11.73
Fin Mat Orang 12⅛ 92 £	30	23⅝	24⅝	0	+0⅝	12.82
Gen Elec Co 12½ 88 £	50	102⅝	103⅝	0	-0⅝	11.80
Hiram Walker 14¼ 88 £	25	105¼	106¼	+0½	+0¼	11.87
Mort Bk Fin 11¾ 89 £	15	23½	24½	-0⅛	+1⅛	13.23
Norsk Hydro 14½ 87 £	30	106⅝	107⅝	-0⅛	+1⅛	12.28
Quebec 14½ 88 £	30	105	106	0	+1⅛	13.15
Quebec 15½ 87 £	35	108	109	0	+1½	12.73
S.D.R. France 15½ 92 £	30	105½	106½	0	+2	14.25
S.N.C.F. 11½ 89 £	30	21	21½	0	+1¼	12.38
Tenneco Int 14⅜ 87 £	30	104⅜	105⅜	+0½	+0⅞	13.20
World Bank 11⅜ 91 £	75	25½	25⅞	+0½	+1	12.34
Eurofima 10½ 87 LuxFr	500	99½	100½	+0⅝	+0⅛	10.48
Europarat 12½ 92 LuxFr	500	104⅜	105⅜	-0⅛	-0⅛	11.88

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish 5¼ 92	0¼	98	98½	16/4	10⅞	10.81
Bank of Tokyo 5¼ 91 (D)	0⅛	99½	100	10/6	9¾	9.77
Bank Nova Scotia 5¼ 93	0⅛	99¼	99¾	29/4	10½	10.55
B.F.C.E. 5¼ 88	0¼	99½	100	29/4	10.69	10.71
B.F.C.E. 5¼ 87	0¼	99¾	99⅞	27/1	14	14.05
Caisse Nat Tele 5¼ 90	0⅛	99¼	99¾	21/4	10.56	10.62
C.C.C.E. 5¼ 2002	0⅜	98¾	98⅞	11/3	9⅞	10.01
Copene 5¼ 92	0⅛	99½	100	10/6	9.94	9.96
Chemical NY 5¼ 94 ††	0⅛	99½	100	23/3	8.94	8.91
Credit Agricole 5¼ 97	0⅛	99⅞	100⅜	24/3	12⅞	12.86
Credit du Nord 5¼ 92	0¼	99¼	99¾	23/6	10⅛	10.18
Credit Lyonnais 5¼ 97	0¼	99⅝	100⅛	2/4	12.19	12.20
Credit Lyonnais 5¼ 94	0¼	99¾	100¼	5/7	9¾	9.75
Credit Nat 5¼ 94 ††	0¼	99½	100	8/3	12.18	12.21
Kansallis Osake 5½ 92 †	0⅛	99⅝	100⅛	6/5	10.06	10.08
Lloyds Eurofin 5¼ 93 §	0¼	99¾	100¼	29/4	10.56	10.58
Long Term Cred 5¼ 92	0⅛	99½	100	27/5	10⅛	10.15
J.P. Morgan 5¼ 97 § †	0¼	99¾	100¼	14/2	10.05	10.08
Nat West Fin 5¼ 91 §	0¼	99⅞	100⅜	15/1	15¼	15.23
New Zealand 5¼ 87	0⅛	100¼	100¾	7/4	12½	12.44
Nippon Credit 5¼ 90	0⅛	99⅞	100⅜	10/2	13⅞	13.88
Offshore Mining 5¼ 91	0⅛	99⅞	100⅜	2/6	10.44	10.42
PKbanken 5 91	0⅛	99⅝	100⅛	17/6	10	10.00
Scotland Int 5¼ 92	0⅛	99¾	100¼	23/3	13¼	13.25
Sec Pacific 5¼ 91	0⅛	99⅝	100⅛	24/5	10.00	10.08
Société Générale 5¼ 95	0¼	99⅝	100⅛	1/3	12.81	12.83
Standard Chart 5¼ 91	0⅛	100	100½	18/5	10.88	10.60
Sweden 5¼ 89	0⅛	99½	99⅝	26/2	11.81	11.88
Toronto Domin'n 5¼ 92 †	0⅛	99¼	99¾	11/2	14.31	14.38

Av. price changes: on day -⅛, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	92½	94	0	2.28
Bridgestone Tire 5½ 96	3/82	470	102¼	103⅝	+0⅝	-3.88
Canon 7 97	7/82	748.2	161	163	+3	2.58
Chugai Pharm 7¼ 96	7/82	780.6	163	165	0	-2.85
Fujitsu Fanuc 4½ 96	10/81	6614	101⅜	103⅜	+0⅜	15.69
Hitachi Cable 5¼ 96	2/82	515	99⅞	101⅜	+0⅝	0.27
Hitachi Credit Corp 5 96	7/81	1612	96⅞	98⅞	+1⅜	17.35
Honda Motor 5½ 97	3/82	835.6	128	129½	0	1.13
Kawasaki 5⅜ 96	9/81	229	74	75½	+0½	23.04
Kumagai Gumi 6½ 97	10/82	400	109½	111	+0½	-0.55
Marui 6 96	7/81	846.4	118	119½	-0½	-0.20
Minolta Camera 5 96	10/81	826.4	75	76½	0	33.97
Minebea 6¼ 97 †	5/82	8.16	137½	139½	-4	-5.08
Murata 5¼ 96	7/81	1971	94	95½	+2	10.48
NKK 6½ 96	7/81	186	80	81½	+0½	16.57
Nippon Electric 5¼ 97	2/82	804.2	124⅜	125⅞	+1⅜	4.52
Olympus Optical 6¾ 97	12/82	1331	109⅜	110⅞	+0⅞	8.19
Orient Finance 5¼ 97	3/82	1285	115⅝	117⅛	-1⅜	-3.80
Sanyo Electric 5 96 †	10/81	652	90	91½	+7½	23.35
Sumitomo Electric 5½ 97	3/82	577.3	97⅛	98⅝	+1⅛	6.22
Sumitomo Metal 5¼ 96	10/81	298.1	71⅜	72⅞	+0⅜	26.98
Olympus Opt 4½ 92 SF	12/82	1331	108⅝	110⅛	+1	10.11
Konishiroku 6⅛ 98 DM	8/82	618	115⅝	117⅝	+0⅝	2.93
Mitsubishi Heavy 6 89 DM	2/82	263	104⅝	105⅞	-0⅝	7.23
Sun Realty 6¼ 92 DM	2/83	365	109	110	+2	4.95

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Co. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

APPOINTMENTS

INTERNATIONAL

New chairman at Seafirst Corp.

● **Mr Richard P. Cooley** has resigned as chairman and chief executive of Wells Fargo and Co., the twelth biggest bank in the U.S., and has been named chairman and chief executive of SEAFIRST CORP., the Seattle-based bank which has suffered heavy loan losses following the collapse of Penn Square Bank of Oklahoma last summer.

Mr Cooley, aged 59, has been chief executive of Wells Fargo for 16 years, and has taken early retirement. He has handed over to his chosen successor **Mr Carl E. Reichardt**, aged 51. The latter has been president of Wells Fargo since 1979. Mr Cooley succeeds **Mr William M. Jenkins** who has stepped down following the loan losses associated with the collapse of Penn Square last summer. In the first nine months of 1982 Seafirst reported a $28.5m loss compared with a net profit of $57.5m a year earlier.

● **Mr Kenneth T. O'Dell** has been named president, chief executive officer and a director of WALKER PROCESS CORP., an Aurora, Illinois, based manufacturer of water and wastewater treatment equipment. He succeeds **Mr Louis D. Troglia**, who is retiring but will continue to serve Walker Process and its parent company as a consultant. From 1969 until his association with CBI, O'Dell was employed by the Continental Group, Inc. and one of its subsidiaries, Teepak, Inc., Chicago, as treasurer and then vice president of finance for U.S. operations, and later as chief financial officer for world wide operations.

● ZAPATA CORP. has elected **Mr Thomas S. McIntosh** executive vice-president and chief operating officer with responsibility for its offshore drilling, marine support services and fishing operations. As chief operating officer he succeeds **President Ronald C. Lassiter**, who was recently named chief executive officer. **Mr Kenneth W. Waldorf**, previously president of Zapata Marine Service Inc., will succeed Mr McIntosh as president of Zapata Off-Shore Company. **Mr Curtis L. Taylor**, formerly senior vice-president of Zapata Marine Service, succeeds Mr Waldorf as president of the unit.

● **Mr John Kenefick**, president of UNION PACIFIC RAILROAD, has been named chairman of the combined operations of Union Pacific and MISSOURI PACIFIC RAILROADS. **Mr R. G. Flannery**, president of Missouri Pacific Railroad, has become president of the combined operations.

● MORGAN GUARANTY TRUST COMPANY has appointed **Mr Michael Fisher**, vice-president, head of the corporate banking division at its Zürich office. He succeeds **Mr Hans-Joachim Henn**, vice-president, who has been appointed to the financial division at the bank's head office in New York.

● **Mr Ian Butcher** has been appointed COUNTY BANK'S North American representative in its New York office. Previously he was an assistant director in the international division in London.

● **Mr John D. Andrew**, executive vice-president of Consolidated-Bathurst Inc., Montreal, has been appointed chairman of CONSOLIDATED - BATHURST (OVERSEAS), based at the head office in London. He was executive vice-president — corporate affairs, of the parent company.

Mr Kenneth T. O'Dell, president of Walker Process Corporation

● The boards of FIRST NATIONAL BOSTON CORP. and its principal subsidiary, THE FIRST NATIONAL BANK OF BOSTON, have appointed **Mr Gerhard M. Freche**, president of New England Telephone and Telegraph Company, as a director of both boards. He replaces **Mr William C. Mercer**, former chairman of the board of New England Telephone, who becomes an honorary director.

UK

Senior changes at Reckitt & Colman

Sir James Cleminson, executive chairman of RECKITT AND COLMAN, will, on August 31, be relinquishing his executive duties, having reached retirement age. He will remain on the board as non-executive chairman. **Mr G. J. F. Alexander** will also be retiring on this date as an executive director. **Mr P. C. Knee**, chief executive of the company's European activities, will be appointed to the board on March 1. He will join the company's headquarters in London to become director of planning. **Mr P. J. Maydon**, director of planning, will take over Mr Alexander's duties for Latin America in addition to his existing responsibility for North America. Also on March 1, **Professor Jean-Claude Larréché** will be appointed as a non-executive director. Professor Larréché, who has been a consultant on marketing strategy since April 1981, is professor of marketing at INSEAD, European business school.

★

The committee of LLOYD'S UNDERWRITER'S NON-MARINE ASSOCIATION for 1983 will be as follows: **Mr M. H. Cockell** (chairman), **Mr H. R. Rokeby-Johnson** (deputy chairman), **Mr R. A. G. Jackson** (honorary treasurer), **Mr R. Ballentyne**, **Mr P. L. Foden-Pattinson**, **Mr M. S. Freeman**, **Mr R. D. Hazell**, **Mr B. P. D. Kellett**, **Mr W. N. M. Lawrence**, **Mr S. R. Merrett**, **Mr C. K. Murray**, **Mr E. E. Nelson**, **Mr C. H. A. Skey**, **Mr C. J. Smith**, **Mr M. V. Williams**, and the chairman and deputy chairmen of Lloyd's (ex-officio).

★

GRINDLAYS BANK has made the following senior appointments: **Mr David Valentine** becomes divisional director with responsibility for the administration division; **Mr Ronald Cordingley** has been made group chief inspector with responsibility for inspection and internal audit; **Mr Charles Low** has been appointed director, continental Europe with responsibility for business on the continent with the exception of France; **Mr Peter Lewis-Jones** becomes directeur général of Grindlays Bank SA, the French subsidiary; **Mr John Curry** has been made director, UK corporate banking; and **Mr George Cunningham** has been appointed director, special financial services with responsibility for industrial finance and timber subsidiaries in Britain.

The appointments with the title 'director' are divisional or departmental and are not appointments to the main board.

★

Mr H. Wilde has relinquished his appointment as company secretary of J. W. LEES AND CO. (BREWERS) and its subsidiary companies, but will remain a director of these companies. **Mr Glyn Braffell** has become company secretary of J. W. Lees and Co. (Brewers) and its subsidiary companies. **Mr Albert Birtles** has been appointed a director of Willoughby's.

★

Sir John Hoskyns has joined the board of AGB RESEARCH. Sir John was chairman and managing director of Hoskyns Group from 1964 to 1975. He is a director of ICL and other companies, and was head of the Prime Minister's policy unit from 1979 to 1982.

★

Mr N. J. Page will be retiring as secretary-general of the INSTITUTE OF ACTUARIES on June 30. **Mr C. D. A. Mackie**, at present secretary of the Institute, will be his successor.

★

Sir John Baring, deputy chairman since 1974, has left the board of ROYAL INSURANCE. **Sir John Cuckney** succeeds him. **Mr R. D. Broadley**, a director, Baring Brothers and Co, has been appointed a director of Royal Insurance.

★

Mr R. C. Crane has joined the main board of THOMSON REGIONAL NEWSPAPERS. He is managing director of Belfast Telegraph Newspapers. **Mr J. G. Davies** and **Mr G. Hutcheon**, both non-executive directors of Thomson Regional Newspapers, leave the main board on retirement.

RACING

BY DOMINIC WIGAN

THE HIGH SPOT in Tim Forster's training career has been Well To Do's narrow victory over Gay Trip and Black Secret in the National and the Letcombe Basset handler will be keen no doubt to win today's Challenge Cup at Towcester which carries Well To Do's name.

However, sentimentality alone will not be responsible for Forster willing his charge, Rambling Buck, to success. Stronger feelings will be engendered by the thought that another Aintree victory could be around the corner given success here.

Rambling Buck is not only a sound jumper but one who should be capable of staying the National's 4 miles and 856 yards in the testing conditions at Aintree in the spring.

Ridden by the country's most improved senior rider, Hywel Davies, this afternoon, Rambling Buck can fuel Forster's Liverpool hopes by giving 9 lb to Mr Oryx, the winner of this race a year ago. The other two runners, Royal Bortora and No Retreat, look out of their depth.

Two other likely Forster prospects in action at Towcester are Royal Admiral and Ankus. A neck winner from Dunrose here last April, the Fine Blade seven-year-old Ankus can show the benefit of a recent outing by outstaying Young Dusky in the Broadwater Hurdle.

Royal Admiral did extremely well to run Mr Gumboots to a length at Lingfield and is expected to outclass his seven Deer Park Chase rivals.

For the preceding chase, the Waterhall Novices Event, I don't intend looking beyond Herr Capitan trained by the in-form course specialist, Jim Old; while at Hereford (where snow caused abandonment in 1982) Weston Favell looks the pick of the card.

TOWCESTER
1.30—Herr Capitan***
2.00—Royal Admiral*
2.30—Ankus
3.00—Rambling Buck

HEREFORD
1.15—Treasure House
2.15—Up Country
2.45—Straight Cash
3.15—Weston Favell**

Ray Maughan looks at the problems of BMW's former franchise holder

An end to TKM's wheeling and dealing

From the moment that Bayerische Motoren Werke decided at the end of January 1979 that it would handle its own sales in Britain of BMW cars and motor cycles, Tozer Kemsley & Millbourn (Holdings) has been struggling to show that it could replace a dominant chunk of its earnings.

Its efforts in the intervening years have been palpably unsuccessful. The BMW franchise reverted to the manufacturer at the end of 1979 and in that year TKM produced profits of £16.01m. The group, which started life confirming and financing international trade, has never fully broken down the contribution from each profit source but it is understood that BMW was worth about £7.5m in taxable profits and TKM sold some 14,000 vehicles.

The following year, without BMW, profits shrank to £5.52m before tax, shrank again in 1981 to £1.01m and the group fell into losses of £1.35m in the first half of last year. Second half trading is considered most unlikely to be enough to pull TKM out of the red for the year.

But it would be wrong to pin the blame for TKM's subsequent stuttering performance solely on the loss of the BMW franchise. The final choice as a straight earnings replacement was plainly badly timed and over-priced but that, too, may not be the whole story.

Certainly, the acquisition of Wadham Stringer in the autumn of 1979 carries much of the blame for TKM's disappearing profits. The business had plenty of asset backing, provided forecourt and showroom assets were to hold their worth, but TKM had to borrow some £14m to finance the £25.6m agreed purchase at a time of high, and rising, interest rates.

Worse, even before the bid was completed, Wadham Stringer advised that conditions in the vehicle distribution market had begun to deteriorate from early that autumn onwards and to deteriorate fast.

Far from replacing BMW's £7.5m profit contribution, Wadham Stringer actually lost £5m in 1980 and its overall effect was to hoist group interest charges, excluding confirming house debt servicing costs by £9m to £14.3m.

High borrowings remain one of TKM's most pressing problems. Gearing had reached about 150 per cent by last November, according to a pro forma balance sheet issued at the time, and has not subsided since.

Sir Montague Pritchard, the former head of Perkins Engines Group who has recently been appointed executive chairman of TKM, said yesterday that while the results for 1982 which will be brought forward by several weeks for publication in March will be poor, the group should service its financing costs in the current year and its relations with its bankers remain cordial. It will be a couple of years, however, before TKM will be in the right sort of shape to contemplate any equity issue.

His first task is to change TKM's management style "very radically." He was insistent that "we must try to stop all these subsidiary companies wheeling and dealing all over the place."

Sir Montague has little time for what he dismissively describes as "entrepreneurial management."

The overriding impression of TKM's performance over the last two years has been that as soon as management had controlled, or at least slowed down, the progress of one brush fire then another would break out. TKM has been bedevilled by costly problems in its food canning operations, its North American snow clearing equipment plants and, of course, Wadham Stringer, at one time or other.

Management's response in these critical years has been to close overcapacity where it can, although in the food canning business it admitted that it had been slow on its feet, to merge its loss-makers with other, independent struggling companies and to raise cash when possible by selling its profitable businesses.

Hence, the Overseas Services and Wings holiday businesses went to the Rank Organisation in November 1981 for £14.5m, almost all of which comprised goodwill. In May last year it sold its 80 per cent stake in confirming business, the largest house of its kind in the world, to the Hong Kong and Shang Hai Banking Corporation for £19m and last week cleared out the minority interest.

The heavily loss-making McKee agricultural equipment and snow-blowing subsidiary in Canada was first merged with White Industries to leave TKM with a residual 25 per cent holding and finally went into receivership last November at a balance sheet cost to TKM of its £7m book value.

Similarly, the canning interests were merged with Imperial Group's Smedley-HP Foods subsidiary to create the largest canner in Britain. Canning remains Sir Montague's major remaining operating problem. Some sort of restructuring deal is in the pipeline although the board is still negotiating.

Other than canning and the fact that profits are still over-reliant on the automotive interests, the board believes that the worst is past. "There are no more nasties," Sir Montague asserts.

The board has already been changed. Mr Ken Thorogood, the long-standing chairman took early retirement last month and Mr Malcolm Horsman, the management director for the past two years was summarily sacked this week.

Mr George Preston, the former deputy chairman, has been invited back from retirement and will head the audit committee, one of the three supervisory committees Sir Montague has set up to provide the sharpness and control he believes TKM has hitherto lacked. The executive committee will be chaired by Mr Donald Bennett and the finance committee will be headed by Mr Michael Davies, another non-executive who comes from Imperial Foods.

Asked about the impetus for these changes and the implementation of what the chairman hopes will be a straightforward, no nonsense management style, Sir Montague simply says "the non-executive directors did their job."

A & G Security sees increased demand

The directors of A. & G. Security Electronics expect that the demand for burglary protection equipment will continue to increase and that the company is well placed to benefit in this growth, Mr Gerard McNamara, chairman, says in his annual statement.

"We will endeavour to both broaden and extend our product range and to take advantage of new market areas, in particular with a view to further exports, especially Europe, as I believe we have both the products and export facilities to break into this new large market," he adds.

Oldham-based A. & G. is quoted on the Unlisted Securities Market. In the year to July 31 1982, pre-tax profits advanced by 80 per cent from £313,860 to £566,279. Net dividend total is 1.75p a share (nil last year).

At the year end shareholders funds stood at £670,278 (£297,059), fixed assets were valued at £112,735 (£78,912), and net current assets came to £563,404 (£220,642). During the year there was a increase in working capital of £639,043 (£280,484) including an increase in liquid funds of £521,262 (£166,600).

Meeting: Manchester, January 12, at 11 am.

Sinclair Research 10% private placing imminent

THE long-awaited private placing of shares in Sinclair Research is imminent. A presentation today at the offices of NM Rothschild to a selected number of institutions, will be followed by a private placing of 10 per cent of the company's capital.

The stake currently forms part of the 95 per cent holding of Mr Clive Sinclair, the founder chairman.

NM Rothschild said yesterday that "it is ultimately Sinclair Research's intention to seek a quotation."

The pricing of the shares has not been completed, but it is thought that the 10 per cent stake could realise as much as £20m, valuing the company at £200m—about the same size as ICL.

NM Rothschild said that the reason for the placing was that Mr Sinclair wished to realise some of his investment, although a Sinclair Research spokesman insisted that 'the purpose is to fund research and development on future projects without milking the computer business for cash."

Sinclair's most ambitious current project is the development of an electric car, the final prototype of which is due to be revealed in 1984.

NM Rothschild said yesterday that the electric car project "is not included in Sinclair Research as far as this placing is concerned. We will be asking the institutions to make a decision on the basis of an investment memorandum prepared by us, but the pricing has not been finalised."

In the year to March 1982 Sinclair Research made pre-tax profits of £10m on turnover of £27m. Sinclair Research said yesterday that a profits forecast was not possible but that turnover in the current year could amount to £50m.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Maurice James Industries, TR City of London Trust.

Final: Bluemel Brothers.

FUTURE DATES

None announced.

Commercial Union bonuses rise

The Commercial Union Assurance Company, making its first annual declaration, has kept the reversionary bonus rate for 1982 on life business unchanged at £5 per cent of the sum assured and attaching bonuses plus an additional £1.50 per cent on attaching bonuses. This represents an actual increase of 30p per cent against the 1981 rate which related to a three-year period.

On individual pension arrangements and retirement annuities, the rate for 1982 is £7 per cent on the basic benefit and attaching bonuses plus a further £2.50 per cent on attaching bonuses. For group pension arrangements the rate is £2.75 per cent calculated on pensions purchased.

The interim bonus rates for 1983 are maintained at these rates.

Friends' Provident Life Office, in its last triennial declaration, has lifted the reversionary bonus rate on ordinary life business by 50p to £5.25 per cent per annual of the sum assured and attaching bonuses. The previous rate in 1979 was £4.75 per cent. The rate on personal pensions contracts is increased 90p to £6.90 per cent. On approved pension schemes the rate is increased by £2.75 to £12.25 per cent.

The company is also improving the terminal bonus rate on all life and pension policies in 1983 from 50 to 55 per cent of attaching bonuses. The rate for flexible policies is 30 per cent.

The company will declare annual bonuses from 1983 and the interim rates will be £5 for life policies, £6.50 for personal pensions and £11.25 per cent for approved pensions.

Higher bonus rates have been declared by the Guardian Royal Exchange Assurance for the eighth consecutive year. The company is maintaining its basic rates of £6.75 per cent of the sum assured for whole life policies and £6.50 per cent for endowments, but is increasing the special bonus from 10 per cent to 15 per cent of attaching bonuses.

However, it is maintaining the terminal bonus at 25 per cent of attaching bonuses.

All other with-profits contracts will receive rates of bonus consistent with those announced above.

Interim bonus rates are maintained at the 1982 declared rate.

Substantially higher reversionary bonus rates have been announced for 1982 by the Norwich Union Insurance Group, one of the largest mutual life companies in the UK.

The bonus rate on UK whole life and endowment policies is increased from £4.5 to £4.75 per cent of the sum assured and attaching bonuses. For policies taken out before 1965, the simple bonus is lifted from £7.5 per cent to £8.5 per cent of the sum assured for endowments and from £8.5 to £9.5 per cent of the sum assured for whole life contracts.

The NU has also declared a special bonus—the fourth since 1969. This ranges from £5 to £770 per £1,000 sum assured depending on how long the policy has been kept in force.

This special bonus represents a conversion of part of the Additional bonus — the terminal bonus paid when a policy becomes a claim. This now becomes a permanent addition to the policy benefits.

Additional bonuses, which were raised in October 1982, now fall back to the level applicable in January 1982. But this has been more than offset by the special bonus payment.

Mr Victor Hughff, general manager and actuary of NU, pointed out that these high bonus rates came primarily from the company's concentration of investment in equities and property, with fixed interest investment being below 20 per cent of life funds.

WIGGINS TEAPE

Wiggins Teape has accepted the offer for its 26.5 per cent shareholding in Associated Pulp and Paper Mills in Australia, made by North Broken Hill Holdings. The offer is two Australian dollars cash per share, which values Wiggins's holdings at $32m.

Mount Charlotte buying 3 London hotels for £19m

BY CHARLES BATCHELOR

Mount Charlotte Investments, the Leeds-based hotel and catering group, is to buy three London hotels from Trusthouse Forte (THF) for £19m.

The deal, which will be financed by a £13.6m 11-for-10 rights issue of new Mount Charlotte shares and by a medium-term bank loan, will effectively double the size of the company, said Mr Robert Peel, the managing director.

It is the most significant change of ownership in the London hotel market for several years although a number of smaller hotel groups have been actively expanding in the capital.

Mount Charlotte has exchanged conditional contracts to buy the 503-room Park Court and Whites Hotel in Bayswater, the 175-room Bayswater Post House and the 169-room Kingsley Hotel in Bloomsbury.

The company currently has only one hotel in London, the 213-room Ryan, near Kings Cross, which it bought last year.

Mount Charlotte also announced yesterday that it expects pre-tax profits of not less than £1.2m in the year ended December 26, compared with £714,000 in 1981. A dividend of not less than 0.89p is anticipated, an increase of 15.6 per cent.

THF, which has about 800 hotels worldwide with more than 73,000 rooms, said it was continuing to expand its Post House chain but "inevitably some hoetls do not fit into our long-term development plan."

Mount Charlotte is interested in acquiring more hotels but the sharp increase in its equity and borrowings resulting from this deal means further expansion would have to be funded from cash flow, Mr Peel said.

In 1976 the company operated 21 hotels with 1,348 rooms. It has spent £6.6m over the past six years—including £4.8m in 1982 alone—to raise that to 30 hotels with 2,231 rooms, before the latest acquisition.

Under the terms of the rights issue, which has been underwritten by merchant bankers Robert Fleming, Mount Charlotte will issue 11 new ordinary shares at 27p each for every 10 existing 10p shares.

Dealings in the company's shares were suspended on November 30 at the company's request and are expected to recommence on Thursday. The suspension price of 28½p values Mount Charlotte at £9.3m.

Shareholders will be asked to approve the deal at an extraordinary general meeting on January 28.

The rights issue will lead to the creation of 54.29m new shares to raise £13.6m net of expenses. Brokers to the issue are Fielding, Newson-Smith.

Mount Charlotte will also raise a 10-year, £7m loan from Lloyds Bank at an initial rate of 1¼ per cent over LIBOR to fund the balance and reduce short-term debt. It has also arranged a 25-year, £5m loan from Sun Life Assurance at 12¾ per cent, also to reduce short term debt.

These transactions will lead to an increase in the company's balance sheet to £44.6m from £18.5m on December 26 1982.

Yearlings down

The interest rate for this week's issue of local authority bonds is 10¼ per cent, down a quarter of a percentage point from the previous issue and compares with 15½ per cent a year ago. The bonds are issued at par and are redeemable on January 11 1984.

A full list of issues will be published in tomorrow's edition.

Tesco stock sold

The £6.1m of Tesco Stores loan stock not taken up in the recent £56m rights issue has been sold in the market at a net premium of £11.212 per cent. Net proceeds will be sent to entitled shareholders except that no payment will be made for less than £2.

LADBROKE INDEX

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LONDON TRADED OPTIONS

January 4 Total Contracts 1,041 Calls 843 Puts 198

Option	Ex'cise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity Close
BP (c)	260	40	3	50	—	—	—	296p
BP (c)	280	22	38	36	25	—	—	"
BP (c)	300	9	—	20	—	34	1	"
BP (c)	330	1	59	10	—	22	1	"
BP (c)	360	¼	—	4	—	10	1	"
BP (p)	300	12	—	30	—	36	2	"
BP (p)	330	36	1	50	—	60	—	"
CU (c)	120	9	—	14½	1	16	—	126p
CU (c)	130	4	—	9	—	12	1	"
CU (c)	140	1½	—	5	1	8	—	"
CU (p)	120	3	—	6	—	9	8	"
CU (p)	130	7	6	15	—	17	—	"
Cons. Gld (c)	420	82	—	94	1	104	—	"
Cons. Gld (c)	460	50	2	62	—	77	—	"
Cons. Gld (c)	500	14	55	35	2	52	1	"
Ctlds. (c)	70	5	5	10	5	13	5	74p
Ctlds. (p)	80	8	—	9	—	12	8	"
GEC (c)	200	—	—	—	—	37	26	208p
GEC (c)	217	5	—	18	2	—	—	"
GEC (c)	237	2½	—	10	1	—	—	"
GEC (p)	200	—	—	—	—	18	2	"
GEC (p)	217	18	—	20	15	—	—	"
GEC (p)	260	56	—	60	—	65	25	"
Gr'd Met. (c)	280	60	—	65	1	67	—	338p
Gr'd Met. (c)	300	40	7	45	—	48	1	"
Gr'd Met. (c)	330	13	37	26	18	32	13	"
Gr'd Met. (p)	350	5	4	14	—	18	—	"
ICI (c)	300	68	26	72	22	78	—	364p
ICI (c)	330	38	3	42	4	50	—	"
ICI (c)	360	12	25	24	7	30	18	"
ICI (p)	330	2	32	9	2	14	—	"
ICI (p)	360	9	—	16	—	22	12	"
Land Sec. (c)	240	43	—	50	3	55	—	281p
Land Sec. (c)	260	23	—	32	2	39	—	"
Land Sec. (c)	280	7	45	20	—	25	—	"
Land Sec. (p)	280	2	2	6	—	11	—	"
Land Sec. (p)	300	20	—	23	1	—	—	"
Mks & Sp. (c)	200	25	—	30	2	35	—	222p
Mks & Sp. (c)	220	9	8	20	—	26	1	"
Mks & Sp. (c)	240	2	8	9	1	14	—	"
Mks & Sp. (p)	220	7	9	12	—	16	2	"
		February		May		August		
Barclays (c)	420	5	—	16	2	27	—	390p
Barclays (p)	350	3	3	—	—	—	—	"
Barclays (p)	360	6	—	11	10	15	—	"
Barclays (p)	390	15	1	25	—	33	—	"
Lasmo (c)	300	16	5	40	—	47	—	284p
Lasmo (c)	360	5	—	12	13	—	—	"
Lasmo (c)	390	3	—	6	10	—	—	"
Lonrho (c)	80	19	3	20	—	23	4	97p
Lonrho (c)	90	10	19	12	10	14	20	"
Lonrho (c)	100	4	51	6½	1	8½	3	"
Lonrho (p)	100	6	1	11	—	12	—	"
P & O (c)	100	12	1	18	—	21	—	108p
P & O (c)	110	6	—	13	—	17	1	"
P & O (c)	120	2½	—	9	5	12	—	"
P & O (p)	120	15	—	19	23	22	—	"
Racal (c)	550	52	1	67	—	88	—	592p
Racal (c)	600	18	—	35	33	62	—	"
Racal (p)	550	10	—	25	1	40	—	"
Racal (p)	650	60	—	67	1	—	—	"
RTZ (c)	420	60	2	74	4	80	—	471p
RTZ (c)	460	32	26	54	10	64	—	"
RTZ (c)	500	10	25	28	7	—	—	"
RTZ (p)	460	16	10	28	—	42	—	"
Vaal Rfs. (c)	100	13½	5	18¼	1	23½	—	$113
Vaal Rfs. (c)	110	8½	11	13½	16	18	11	"
Vaal Rfs. (c)	120	4	18	8	45	12	6	"
Vaal Rfs. (p)	90	¾	5	2½	—	5	—	"
Vaal Rfs. (p)	100	2	10	5½	—	8	—	"
Vaal Rfs. (p)	110	5½	5	9½	—	13	—	"

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sep. Vol.	Sep. Last	Stock
D/FL C	F.255	10	5.20	—	—	—	—	F.260.80
D/FL C	F.260	—	—	7	1.50	—	—	"
D/FL P	F.265	2	9.90	50	14	—	—	"
D/FL P	F.275	—	—	4	22.50	—	—	"
D/FL P	F.285	1	26.50	—	—	—	—	"
		Feb.		May		Aug.		
GOLD C	$400	—	—	3	83	—	—	$450
GOLD C	$425	4	38	16	66	5	72	"
GOLD C	$450	23	26	39	45	5	64	"
GOLD C	$475	25	15	70	35	13	44	"
GOLD C	$500	50	9	55	25	—	—	"
GOLD C	$550	10	2	29	11	—	—	"
GOLD P	$375	15	1	205	5	—	—	"
GOLD P	$400	11	2.80	19	9	—	—	"
GOLD P	$425	200	6	—	—	190	18.50	"
GOLD P	$450	141	13 B	—	—	—	—	"
GOLD P	$475	11	27 B	2	38 B	—	—	"
12¾ NL 81 87-91								
C	F.125	—	—	60	9.50	—	—	F.134
C	F.127.50	29	7	—	—	—	—	"
C	F.130	757	5.30	—	—	20	6.50	"
P	F.130	250	0.80	1104	2	—	—	"
10¾ NL 80 86-95								
C	F.110	—	—	20	6.20	—	—	F.114.90
P	F.105	—	—	100	0.60	—	—	"
11¼ NL 82 88-92								
C	F.112.50	81	6.10	—	—	—	—	F.118.60
C	F.115	—	—	257	4.50	200	5.70	"
C	F.117.50	326	2.40	83	3	50	3.70	"
10 NL 82-II 86-89								
C	F.107.50	50	4.60	270	5	—	—	F.112.30
C	F.110	250	3.40	427	3.60	207	4.20	"
P	F.110	250	0.70	—	—	—	—	"
7¾ NL 82 89-93								
C	F.100	128	2.70	50	2.60	—	—	F.101.80
C	F.102.50	—	—	41	2.50	—	—	"
P	F.102.50	—	—	43	2.80	—	—	"
		Jan.		April		July		
AKZO C	F.30	50	4	—	—	—	—	F.34.90
AKZO C	F.32.50	—	—	—	—	20	4.20	"
AKZO C	F.35	15	0.80	68	2.30	—	—	"
AKZO P	F.32.50	—	—	28	1.50	—	—	"
AMRO C	F.45	7	2.50 A	12	5	62	4	F.46.20
AMRO C	F.50	—	—	25	1.80	24	2.60	"
AMRO P	F.45	—	—	30	4	57	4	"
GIST P	F.90	—	—	—	—	15	5	F.116
HEIN P	F.90	25	2.50	—	—	—	—	F.91
HEIN P	F.100	—	—	10	11.50	—	—	
HOOG C	F.15	130	0.50	22	1.30	15	1.80	F.14.30
HOOG P	F.15	—	—	—	—	15	2	"
KLM C	F.100	7	45	—	—	—	—	F.144.20
KLM C	F.110	21	34	—	—	—	—	"
KLM C	F.120	32	25.50	—	—	—	—	"
KLM C	F.130	20	17	16	24	—	—	"
KLM C	F.140	71	10	—	—	9	19.50	"
KLM C	F.150	103	5.20 A	8	11.50	11	13.80	"
KLM P	F.100	23	0.20	—	—	—	—	"
KLM P	F.110	33	0.40	15	5.30	—	—	"
KLM P	F.120	82	0.80	27	6.40	—	—	"
KLM P	F.130	110	2.50	16	11.60	—	—	"
KLM P	F.140	17	5.50	28	16.50	—	—	"
KLM P	F.150	49	11.30	—	—	—	—	"
NEDL P	F.100	42	1.80	43	5.70	—	—	F.104
NATN C	F.120	15	4 B	6	5.50	—	—	F.122.80
NATN C	F.125	—	—	10	3.60	7	5.30	
PHIL C	F.25	25	2.70	100	3	—	—	F.27.80
PHIL C	F.27.50	347	0.80	72	1.80	5	2.50	"
PHIL C	F.30	6	0.10	31	0.90	100	1.30	"
PHIL P	F.25	—	—	52	0.40	—	—	"
PHIL P	F.27.50	5	0.50	150	1.20	20	2	"
RD C	F.90	76	4.30	446	6.80 B	15	7.50	F.92.70
RD C	F.100	260	0.70	221	3.50	52	3.80	"
RD P	F.90	50	1 A	56	3	14	5	"
RD P	F.100	35	8	—	—	—	—	"
UNIL C	F.180	14	4.10	—	—	—	—	F.189.50
UNIL C	F.200	39	0.70	21	6.20	—	—	"
UNIL C	F.220	10	0.40	—	—	—	—	"
UNIL P	F.160	—	—	17	1.60 B	—	—	"
UNIL P	F.170	—	—	11	2.90	—	—	"

TOTAL VOLUME IN CONTRACTS 10220

A=Asked B=Bid C=Call P=Put

COMMODITIES AND AGRICULTURE

Rise in EEC cereal output forecast

THE European Commission said it is forecasting cereals output in the EEC of around 137m tonnes by the 1988-89 season, compared with estimated production of 129.3m tonnes this year.

It said in a report accompanying its 1983-84 farm price proposals that exportable production of cereals could rise to some 20m to 25m tonnes compared to present levels of 17m to 20m tonnes.

The Commission said that it expected the total area planted to cereals to remain relatively stable at 28m hectares by 1988-89.

● THE European Commission authorised sales of 41,550 tonnes of white sugar at a maximum export rebate of 37.043 ecus per 100 kilos, at its weekly export tender in Brussels yesterday. Sugar dealer E. D. & F. Man said it cut its estimate of world 1982/83 (September-August) sugar production to 96.48m tonnes raw value from its August estimate of 97.46m and compared with 99.16m in 1981/82.

● THE U.S. is to buy another 1m tonnes of Jamaican bauxite for its strategic mineral stockpile, Mr. Edward Seaga, the Prime Minister, announced in Kingston. This follows an agreement last year for 1.6m tonnes of bauxite for the stockpile.

The new sale has considerably brightened the prospects for the island's bauxite industry this year. Jamaica is the world's third largest producer but, because of the weak aluminium market, this year's output is expected to be 6.6m tonnes, just over a half of 1981 output.

● MEXICO'S 1983-84 cotton crop is projected to increase to 1.25m bales from 849,000 in 1982-83, the U.S. Agriculture Department's officer in Mexico City said in a field report. Cotton exports in 1983-84 are put at 500,000 bales against 400,000 for the current year

Copper and lead stocks jump

BY OUR COMMODITIES STAFF

LONDON METAL EXCHANGE copper stocks rose to the highest level since March 1979 yesterday while lead stocks reached an all-time peak.

But in spite of this confirmation of continuing slack industrial demand both metals gained ground in the market. Following through on Monday's strength in New York and encouraged by news of a 12 per cent rise in U.S. November housing starts, cash high grade copper ended the day £7.50 up at £932.75 a tonne. Lead followed this trend with cash metal ending the day £6.25 higher at £294.50 a tonne.

Copper stocks held in LME warehouses rose for the 13th week in succession, a 8,825 tonnes addition taking the total to 253,175 tonnes. Lead stocks were up 425 tonnes to 126,425.

Tin stocks were also up, by 490 tonnes to 33,925, but zinc stocks fell 1,875 tonnes to 91,700. Aluminium stocks rose 11,825 tonnes to 248,600 while nickel stocks put on 768 tonnes to 6,660. Silver stocks were 860,000 troy ounces up at 35.9m ounces.

News of a 2 cents a lb rise in its zinc price by leading U.S. producer Asarco, coupled with the decline in LME stocks of the metal, triggered a sharp price rise in the LME price and cash zinc ended the day £10 above the New Year's Eve close at £423.50 a tonne.

The LME aluminium price edged up £0.75 to £617.50 but falls were registered by nickel, down £7.50 at £2,325.00 for cash and tin, down £28 at £7,937.50 a tonne.

Brazil signs 1983 coffee contracts

RIO DE JANEIRO — Brazil has signed up about 80 per cent of the volume it expects to ship under coffee supply contracts with roasters in 1983, Sr Octario Rainho, Brazilian Coffee Institute (IBC) president, said.

Brazil expects to export 17.0m to 17.5m 60-kilo bags of green and soluble coffee this year to all destinations, compared with 17.09m in 1982, while earnings could be between $2.0bn and $2.2bn, compared with $2.09bn in 1982.

The IBC expects to sign export contracts with roasters for 13.8m bags in 1983 compared with 13.2m in 1982, he said.

Soluble coffee exports are likely to total 2.2m bags in 1983, he said. Exports to non-members of the International Coffee Organisation (ICO) are expected to total around 1.5m bags compared with 1.59m in 1982, Sr Rainho said.

On the internal market, he said it was possible the IBC could sell coffee from its stocks on the Sao Paulo Commodity Exchange during January.

"We will have to look at the market. We would only sell to stop prices going above the export parity, and not to depress the market," Sr Rainho said.

The IBC could sell up to 2m bags until the start of the new crop in April, he said. IBC stocks now stand at 10.63m bags.

Sri Lanka tea prospects brighter

By Mervyn de Silva in Colombo

SRI LANKA'S tea production figures this year will be a little brighter than anticipated with production in November and December catching up on large crop losses in the first 10 months of 1982.

By October Sri Lanka's total crop loss for 1982 was 21.8m kilos, a large share of the estimated 34m kilos decline in world production. Good rainfall helped tea producers to better the November and December harvest of the previous year. So total production for 1982 will be higher than the expected 190m kilos. Last year Sri Lanka's total crop was 210m kilos.

Though production was disappointing, tea prices, particularly for mid-grown and low quality teas, were "more than satisfactory,"

Maltese farm protest grows

By Godfrey Grima in Valletta

MALTESE PREMIER Mr Dom Mintoff's government is threatening to start importing fresh fruit and vegetables from abroad for as long as farmers continue with their week-old protest against state-imposed price regulations.

On Monday night the island's state run radio and TV networks reported that the Ministry of Agriculture was trying to establish contact with foreign suppliers to ensure that consumers would not suffer. Yesterday morning, ministry officials would neither confirm nor deny the story giving credence to speculation that last night's story was inspired in order to pressurise farmers to resume the sale of agricultural products at the island's central market.

TROPICAL TIMBER

Mixed blessing for Indonesia

BY RICHARD COWPER IN JAKARTA

INDONESIA'S progressive ban on exports of South Sea logs and its headlong rush into tropical hardwood timber processing has swiftly gained the country a sizeable share of the world plywood and sawn timber markets. According to timber experts, Indonesia became the world's largest exporter of plywood last year and second only to Malaysia in the export of sawn hardwood timber. Meanwhile its log exports are believed to have fallen to the lowest level for 15 years. By 1985 they are expected to cease altogether.

The rapid enforced transformation of the country's timber industry however is exacting a heavy toll—at a time when Indonesia, like everyone else, is being badly hit by the world recession. Total timber export earnings in 1982 are put at their lowest level since 1975, at least 20 per cent of Indonesian timber concessionaires have gone out of business and more than half the country's 60 plywood mills are said to be losing money.

The Government's policy of forcing Indonesian log exporters to switch to plywood and sawn timber has produced results faster than any one had expected. In 1982 Indonesian plywood and veneer production was 2.36m cubic metres (up 52 per cent on 1981 and a fourfold increase since 1979). Plywood and veneer exports were 1.15m cubic metres (up 50 per cent on 1981 and a ninefold increase since 1979).

It now seems almost certain, that for the first time, Indonesia has displaced both South Korea and Tiwan as the world's largest plywood exporter, accounting in 1982 for upwards of 15 per cent of the world market.

INDONESIA'S TIMBER EXPORTS
(m cubic metres)

	Logs	Sawn	Ply-wood (a)	Total value ($m)
1978	18.5	0.72	0.08	1,008
1979	18.0	1.30	0.13	1,917
1980	14.0	1.10	0.28	1,909
1981	6.5	1.28	0.77	1,094
1982 (b)	3.3	1.40	1.15	850

(a) This includes a small proportion of veneer.
(b) Projection.
Source: Bank of Indonesia, Indonesian Plywood and Sawmillers Associations and industry.

The government is confident that within the next five years the country can triple exports and supply almost 40 per cent of world plywood trade.

Sawn timber performance has been less dramatic. Output in 1982 is expected to be 5.75m cubic metres (up 10 per cent on last year and up 40 per cent on 1979), while 1982 exports are estimated at 1.4m cubic metres (up 9 per cent on 1981 and up just 8 per cent on 1979).

In 1979 Indonesian exports of plywood and sawn timber accounted for just 14 per cent of the country's total timber and log export earnings. But following the government's tough policy of progressively banning log exports from May 1980 onwards, plywood and sawn timber today account for more than 50 per cent of timber export earnings.

But three years ago more than 500 Indonesian forest concessionaires produced a record 28m cubic metres of logs. Last year well over half these operators were losing money and log production was down by around 30 per cent.

Worst hit were the small producers who had been unable to meet the government's requirement of setting up plywood and processing mills. An estimated 118 concessionaires (more than 20 per cent) have gone bust, while 130 others are hardly working at all. Upwards of 50,000 people have lost their jobs.

The high cost of money, weak demand and massive overcapacity means that those who have recently constructed new plants are finding it extremely difficult to cover costs.

Indonesia now has 60 operational plywood mills with a capacity of 3.6m cubic metres a year—actual production in 1982 was around 65 per cent of that. Some 40 of these mills have been constructed in the last three years and all these are reported to have lost money in 1982.

Meanwhile 45 more mills are under construction with an additional capacity of 2.6m cubic metres, while a further 32 mills with a capacity of 1.4m cubic metres have been licensed by the Government.

With demand and prices for Indonesia's other important export commodities suffering badly from the world recession and a large balance of payments deficit emerging, the timing of the Government's new policy could hardly have been more unfortunate.

In spite of the current gloom, however, if the industry can successfully ride out the recession, Indonesia—with more than 100m hectares of tropical forests to draw on and sizable spare plywood and sawn timber producing capacity—seems well placed to become the leading force in the world's processed timber export trade before the end of this decade

NZ hopes to revive Iraqi market

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND hopes to revive lamb sales to Iraq this year. Initial negotiations have started and New Zealand meat exporting companies have submitted bids for an Iraq government tender.

Two years ago Iraq bought 30,000 tonnes, worth NZ$70m. Then in the 1982 season sales crashed to zero as a result of the Iraq/Iran war and the problem of shipping meat to Iraq.

New Zealand hopes to sell between 8,000 and 10,000 tonnes. This follows the contract signed recently to supply 100,000 tonnes of lamb to Iran for delivery this year.

Mr Adam Begg, New Zealand Meat Board chairman, believes that if settled conditions return to the Middle East, Iraq could buy 20,000 tonnes a year in spite of competition from cheaper, poorer-quality South American lamb.

● EAST MALAYSIAN state of Sarawak pepper exports fell to 2,951 tonnes in August from 3,463 in July and 3,079 in August 1981, the Pepper Marketing Board said.

In August, Singapore took 2,156 tonnes, Japan 302, West Germany 249, Taiwan 86, Yugoslavia 59.

Exports in the first eight months of 1982 dropped to 17,172 tonnes from 20,118 in the same 1981 period.

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 4 1983	+ or —	Month ago
Metals			
Aluminium	$810/815	.....	£810/815
Free Mkt	$995/1025	.....	$975/1005
Copper			
Cash h grade	£932.75	+7.5	£912.25
3 mths	£958.25	+9.5	£926.25
Cash Cathode	£894.25	+10	£865.5
3 mths	£922.57	+11.25	£887
Gold troy oz	$449.5	+1.5	$454.5
Lead Cash	£294.5	+6.25	£277
3 mths	£305.375	+5.125	£287.125
Nickel	£4155.5	.....	£4133.5
Free mkt	170/220c	.....	147/178c
Platin'm tr'y oz	£260		£260
Free mkt	£244.60	+6.4	£231.90
Quicksilver†	$340/345	.....	$355/365
Silver troy oz	680.30p	+7.25	678.30p
3 mths	697.55p	+7.55	694.10p
Tin Cash	£7397.5	—28	£7432.5
3 mths	£7417.5	—17	£7432.5
Tungsten	$102.80	.....	$102.59
Wolfrm 22.04 lb	$78/82	.....	$80/84
Zinc Cash	£423.5	+10	£417.25
3 mths	£436.25	+9.5	£428.75
Producers	$900	.....	$880/850

	Jan. 4 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$450x	+2.5	$425
Groundnut	455x	.....	$470
Linseed Crude	£308	.....	£322
Palm Malayan	$386	+10	$375
Seeds			
Copra Philip	$300	.....	$285
Soyabean (U.S.)	$236	.....	$259.25
Grains			
Barley Fut. Mar	£114.30	—0.20	£114.55
Maize	£144.00	.....	£145
Wheat Fut. Mar	£121.35	—0.05	£119.05
No.2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1127	—3	£1087
Future May	£1108	—14.5	£1016.5
Coffee Ft' Mar	£1611	+5.5	£1607.5
Cotton A.Index	70.45c	.....	69.15c
Gas Oil Feb	‡	.....	$280
Rubber (kilo)	50p	.....	50.25p
Sugar (Raw)	£100x	—1	£111
Woolt'ps 64s kl	372p kilo	.....	372p kilo

‡ Unquoted. y Feb. x Jan-Feb. † Per 16-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Heavy	30.50	—0.05
Iranian Light	29.00-29.75	+0.37
Arabian Light	28.00-28.50	—0.10
North Sea (Forties)	30.80-31.00	+0.05
African (Bonny L'ht)	32.00	—0.50
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	304	+4.0
Gas oil	285	—7.0
Heavy fuel oil	168	—3.0

GAS OIL FUTURES

After opening about $3.00 lower, the market steadied up, reaching the highs after the New York opening, but later dropped back to trade in a narrow range, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	276.00	—2.50	278.25-75.50
Feb	267.75	—1.50	269.50-64.50
March	261.75	—0.25	261.75-57.50
April	255.75	—1.25	256.50-52.50
May	253.25	—1.50	253.50-50.00
June	253.00	—0.25	253.00-55.00
July	253.50	+1.50	—
Aug	252.00	—0.50	—
Sept	256.00	—	—

Turnover: 3,271 (987) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1½ an ounce from Friday's close in the London bullion market yesterday to finish at $449-450. The metal opened at $451-452 and touched a high in early afternoon of $453½-454½. However it eased during the afternoon in quiet trading to touch a low of $447-448.

In Frankfurt the 12½ kilo bar was fixed at DM 34,425 per kilo ($454.00 per ounce) against DM 34,510 ($450.58) previously and closed at $449-450.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $452.25 from $451.0.

In Paris the 12½ kilo bar was fixed at FFr 98,000 per kilo ($456.40 per ounce) in the afternoon compared with FFr 98,000 ($455.70) in the morning and FFr 97,800 ($425.05) on Monday afternoon.

In Zurich gold closed at $449-452.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
January	—	.....	—
February	450.50-1.00	—1.15	457.00-50.0
March	454.00-4.80	—1.10	454.30
April	457.60-8.00	—1.00	463.70-60.0
May	460.00-1.00	—1.00	—
June	463.00-5.00	—2.00	—
July	465.00-8.00	—2.50	—

Turnover: 533 (117) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Jan. 4		Dec. 31	
Close	$449-450	(£276½-277)	$447½-448½	(£277¼-277¾)
Opening	$451-452	(£278-278½)	$455-456	(£281¼-281¾)
Morning fixing	$452.75	(£278.187)	$448	(£277.485)
Afternoon fixing	$449.50	(£276.445)		

Gold Coins Jan. 4					
Krugrnd	$461½-462½	(£284¼-284¾)	King Sov	$113-114	(£69½-70)
½ Krug	$237½-238½	(£146¼-146¾)	Victoria Sov	$113-114	(£69½-70)
¼ Krug	$121-122	(£74½-75½)	French 20s	$98¾-101¼	(£60¾-62¼)
1/10 Krug	$49¼-50¼	(£30¼-31)	50 pesos Mex	$541-544	(£333¼-335)
Mapleleaf	$460-462	(£283¼-284¼)	100 Cor. Aust	$438-442	(£269¾-272¼)
New Sov	$105¾-106½	(£65-66½)	$20 Eagles	$515-520	(£317¼-320¼)
½ New Sov	$62-64	(£38¼-39½)			

EUROPEAN MARKETS

ROTTERDAM, Jan 4.

Wheat—(U.S. $ per tonne): U.S. No Two Red Winter Jan 151, Feb 153, Mar 155, April 158. U.S. No Three Amber Durum April/May 171, June 172, July 174, Aug 178. U.S. No Two Northern Spring 14 per cent Jan 183.50, Feb 184.50, Mar 185, April/May 170, June 172, July 173. Canadian Western Red Spring April/May 187.

Maize—(U.S. $ per tonne): U.S. No Three Yellow afloat 118, Jan 117.50, Feb 118, Mar 118, Jan/Mar 117.75, April/June 120, July/Sept 121, Oct/Dec 124 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports afloat 230, Jan 230, Feb 232.25, Mar 234.25, April 236, May 236.90, June 238.40, July 239.50, Aug 240.70, Sept 240.70, Oct 234, Nov 234, Dec 238.25 sellers. Argentine June 233.10, July 233.10 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 217, Jan 217 traded; afloat 217, Jan 217, Jan/Mar 217.50, April/Sept 216, Nov/Mar 221.50 sellers. Pellets Brazil afloat 233, Dec 232.50, Jan 231.50, Feb 234, Mar 231, April/Sept 222.50 sellers.

PARIS, Jan 4.

Cocoa—(FFr per 100 kilos): Mar 1222/1235, May 1253/1267, July 1270/1290, Sept 1300/1310, Dec 1335/1350, Mar 1365/1380, May 1380/1420. Sales at call: nil.

Sugar—(FFr per tonne): Mar 1425/1427, May 1460/1464, July 1490/1505, Aug 1533/1540, Oct 1575/1585, Nov 1575/1585, Dec 1645/1680, Mar 1720/1735. Sales at call: 6.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were firmer on the London Metal Exchange. COPPER moved up to £963 on speculative buying but eased to close the late kerb at £958 following trade selling. LEAD closed at £305.5 and ZINC at £436.75, boosted by speculative and "computer" buying interest. TIN was finally £7420, depressed by hedge selling.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
HighGr'de	£	£	£	£
Cash	932-.5	+7	932.5-3	+7.5
3 months	959.5-60	+11.2	958-.5	+9.5
Settlem't	932.5	+7	—	.....
Cathodes				
Cash	893-4	+9.25	894-.5	+10
3 months	921-2	+10	922.5-3	+11.2
Settlem't	894	+9.5	—	.....
U.S. Prod.	—	—	*70-4	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £932.50, three months £962.00, 61.00, 61.50, 62.00, 62.50, 63.50, 62.50, 62.00, 61.00, 60.00, 59.00, 60.00, 59.50. Cathodes: Three months £922.00, 21.00. Kerb: Higher Grade: Three months £960.00, 59.50, 60.00, 61.00, 61.50. Afternoon: Higher Grade: Three months £958.00, 57.50, 57.00, 57.50, 58.00, 58.50. Cathodes: Cash £896.00, 94.50, three months £922.50. Kerb: Higher Grade: Three months £958.50, 58.00, 57.50, 58.00, 58.50. Turnover: 25,100 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7405-10	—18.5	7395-400	—28
3 months	7415-25	—17.5	7415-20	—20
Settlem't	7410	—18	—	.....
Standard				
Cash	7405-10	—18.5	7395-400	—28
3 months	7415-25	—17.5	7415-20	—17
Settlem't	7410-16	—16	—	.....
Straits E.	$29.15	.....	—	.....
NewYork				

Tin—Morning: Standard, cash £7,416, 10, 05, three months £7440, 30, 25, 20. Kerb: Standard: Three months £74.25, 21.25. Afternoon: Standard: Cash £7390, three months £7420, 22, 20. Kerb: Standard: Three months £7430. Turnover: 3,485 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	291.5-2	+3.5	294-5	+6.25
3 months	302-.5	+2	305.25-.5	+5.12
Settlem't	292	+3.5	—	.....
U.S. Spot	—	.....	*20.5-28	.....

Lead—Morning: Cash £290.50, 92.00, three months £302.00, 01.50, 01.00, 01.50, 300.00, 299.50, 99.00, 99.50, 300.00, 300.50, 01.00, 01.50, 02.00. Kerb: Three months £302.50. Afternoon: Three months: £302.00, 01.50, 02.00, 03.00, 03.50, 04.00, 05.00. Kerb: Three months: £305. Turnover 15,125 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	419.5-20	+6.25	423-4	+10
3 months	422.5-3	+6.5	436-.5	+9.5
Settlem't	420	+6	—	.....
Primw'ts	—	.....	*38.75-40.7	.....

Zinc—Morning: Cash £419.50, three months £432.00, 32.50, 33.00. Kerb: Three months £433.00. Afternoon: Three months £434.00, 34.50, 34.00, 33.00, 34.00, 35.00, 35.50, 36.00, 36.50. Kerb: Three months £436.00, 35.50, 36.00. Turnover: 9,075 tonnes.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	615.5-6.5	—.75	617-8	+.75
3 months	635.5-6	+.5	636.5-7	+1.5

Aluminium—Morning: Three months £635.50, 36.00. Kerb: Three months £636.00. Afternoon: Three months £636.00, 36.50. Kerb: Three months £637.00, 37.50, 38.00. Turnover: 8,825 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2338-45	+7.5	2320-30	—7.5
3 months	2400-5	+17.5	2387-90	+3.5

Nickel—Morning: Three months £2395, 90, 95, 2400. Kerb: Three months £2395. Afternoon: Three months £2395, 94, 92, 94, 95, 92, 91, 90. Kerb: Three months £2390, 87. Turnover: 918 tonnes.

SILVER

Silver was fixed 7.25p an ounce higher for spot delivery in the London bullion market yesterday at 680.3p. U.S. equivalents of the fixing levels were: spot $11.065, up 19.5c; three-month $11.311, up 19.4c; six-month $11.565, up 21.4c; and 12-month $12.116, up 22.6c. The metal opened at 673-675p ($10.96-11.00) and closed at 673-675p ($10.92-10.96).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	680.30p	+7.25	672.75p	—1.75
3 months	697.55p	+7.55	690p	—1.5
6 months	714.55p	+9.85	—	.....
12months	749.75p	+9.25	—	.....

LME—Turnover 104 (42) lots of 10,000 ozs. Morning: Three months 690.0, 91.0. Kerb: Three months 696.0, 99.5, 98.5, 99.0. Kerb: nil. Afternoon: Three months 689.0, 91.0. Kerb: Three months 689.0, 88.0, 87.0, 86.0, 87.5, 88.0, 87.5, 87.0.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1095-97	—15.0	1114-09
May	1107-09	—14.5	1127-08
July	1120-21	—16.0	1135-20
Sept	1134-35	—16.0	1148-33
Dec	1157-60	—18.5	1174-62
March	1179-82	—18.0	1190-85
May	1190-02	—	.....

Sales: 1,677 (1,114) lots of 10 tonnes.

ICCO—Daily price for Jan 4: 77.52 (78.29). Indicator price for Jan 5: 78.33 (78.56).

COFFEE

Influenced by a firmer New York, trade buying prompted a steadier London opening, reports Drexel Burnham Lambert. A disappointing New York reopening and a failure in London to extend gains saw values retreat gradually in mixed dealings.

COFFEE	Yest'day's Close	+ or —	Business Done
January	1760-70	—2.0	1795-60
March	1610-12	+3.5	1636-05
May	1500-05	+12.0	1519-98
July	1408-10	+14.0	1424-04
Sept	1345-50	+6.0	1364-50
Nov	1270-00	—6.0	1310-00
January	1220-70	+20.0	1260-40

Sales: 4,733 (504) lots of 5 tonnes.

ICO Indicator price for Jan 3 (U.S. cents per pound): Comp. daily 1979 131.01 (131.49): 15-day average 130.94 (130.97).

GRAINS

Mnth	WHEAT Yestard'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Jan	120.45	+0.05	112.75	+0.20
Mar	121.35	+0.05	114.30	—0.20
May	123.15	—0.25	116.80	—0.15
July	125.25	—0.25	—	—
Sep	113.80	—	109.10	—
Nov	116.80	—	111.40	—

Business done—Wheat: Jan 121.05-0.50, Mar 121.70-1.20, May 123.60-3.00, July 125.50 only, Sept and Nov untraded. Sales: 258 lots of 100 tonnes. Barley: Jan 112.90-2.65, Mar 114.60-4.30, May 117.05-6.75, Sept and Nov untraded. Sales: 94 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Jan 123, Feb 124, Mar 124.75 transhipment East Coast sellers. English Feed fob Jan 123.50 East Coast seller. Maize: French Jan 144 transhipment East Coast seller. S. African White/Yellow Jan/Feb 88 quoted. Barley: English Feed fob Jan 118.50, Mar 119.50 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 112.60, S. West 114.00, N. West 111.20. The UK monetary coefficient for the week beginning Monday January 10 (based on five days exchange rates) is expected to remain unchanged.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Mar 530.0, 531.0, 530.1; May 545.0, 547.0, untraded; July 552.0, 553.0, untraded; Oct 539.5, 541.0, 540.1; Dec 542.0, 543.0, 542.1; Mar 550.0, 551.0, 550.1; May 555.0, 560.0, untraded; July 556.0, 560.0, untraded. Sales: 42.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan 352, 365, nil; Mar 362, 370, nil; May 373, 382, 375; Aug 387, 390, 389; Oct 392, 394, 393; Dec 396, 399, nil; Jan 398, 401, nil; Mar 407, 409, nil; May 413, 417, 415. Sales: 5.

POTATOES

The market was initially easier but recovered during the afternoon in line with a steadier Dutch close, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Feb	70.00	70.50	70.50-69.00
April	88.40	88.00	88.40-86.00
May	90.50	90.70	91.00-88.00
Nov	67.80	67.80	—
Feb	76.30	75.00	—

Turnover: 807 (464) lots of 40 tonnes.

RUBBER

The London physical market opened easier, attracted little interest throughout the day and closed dull. Lewis and Peat reported a January fob price for No. 1 RSS in Kuala Lumpur of 180.5 cents a kg and SMR 20 168.5.

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
Feb	50.00-52.00	50.40-50.50	—
Mar	50.80-51.20	51.10-51.20	—
Apl-Jne	52.20-52.50	52.50-52.40	52.10-51.60
Jly-Sept	54.10-54.20	54.40-54.50	54.30-53.90
Oct-Dec	56.10-56.20	56.50-56.60	56.20
JanMch	58.20-58.40	58.50-58.60	58.50-58.20
Apl-Jne	60.50-60.70	60.90-61.00	60.70
Jly-Sept	63.00-63.10	63.50-63.40	63.20-63.00
Oct-Dec	65.10-65.60	65.80-65.70	58.40

Sales: 178 lots of 15 tonnes, nil lots of 5 tonnes.

Physical closing prices (buyers) were spot 50.00p; Feb 53.25p; March 53.75p.

SOYABEAN MEAL

The market opened £1.50 down on stronger sterling, reports T. G. Roddick and remained at opening levels in quiet trade.

Sales: 23 (265) lots of 100 tonnes.

	Yesterdy's Close	+ or —	Business Done
	£ per tonne		
Feb	142.70-45.5	—1.55	143.20-43.00
April	141.50-41.8	—1.75	142.00
June	139.00-40.5	—1.25	—
August	139.10-41.0	—0.20	—
October	140.00-41.0	+0.75	—
Dec	140.00-46.8	+0.25	—
Feb	139.00-45.0	.....	

SOYABEAN OIL—The market opened $2.00 easier in dull conditions and remained under pressure. Close (U.S. $ per tonne): Feb 401.00, 403.00; April 413.00, 414.00, 415.00-414.00; June 421.00, 423.00; Aug 423.00, 433.00; Oct 424.50, 438.00; Dec 430.00, 445.00; Feb 433.00, 452.00; (only April traded). Sales: 7 (1) lots of 25 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £100.00 (£101.00) a tonne cif Jan-Feb shipment. White sugar daily price £134.00 (£139.00).

The market did not open quite as low as due but over the remainder of the day it fell away to new low ground on some stale long liquidation and more general trade selling, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	108.38-08.35	111.05-11.15	110.00-06.25
May	110.00-10.25	114.50-14.75	113.75-10.00
Aug	118.25-18.50	121.10-21.20	120.00-16.25
Oct	122.00-22.50	126.90-27.10	125.50-23.50
Dec	128.50-28.75	132.75-33.15	130.00
March	136.00-37.00	138.50-39.50	—
May	139.00-44.00	—	—

Sales: 2,280 (1,044) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £406.90 (same) a tonne for home trade and £205.00 (£206.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Dec 31: Daily price 6.23 (6.25): 15-day delivery 6.19 (6.17).

COTTON

LIVERPOOL—No spot or shipment sales were recorded. Dealings remained light, and there was further distrust of selling rates. Spinners were not inclined to operate with any freedom and inquiry was desultory.

LONDON TEA AUCTION—26,084 packages were on offer at yesterday's auction, including 3,000 packages in the offshore section. Demand continued strong and active. Assams were well competed for and often gained 2-4p with brokens a strong feature. Sylhets sold readily but at irregular and sometimes lower levels. Africans met with strong support and prices rose 2p-4p. Offshore teas received strong inquiry at dearer rates. Quotations: quality 148p a kg (145p), medium 138p a kg (137p), plain 122p a kg (unquoted).

INDICES

FINANCIAL TIMES

Dec. 31	Dec. 30	M'th ago	Y'ar ago
238.84	239.66	232.31	248.97

(Base: July 1 1952 = 100)

REUTERS

Jan. 4	Dec. 31	M'th ago	Y'ar ago
1575.4	1578.6	1585.3	1604.6

(Base: September 18 1931 = 100)

MOODY'S

Jan. 3	Dec. 30	M'th ago	Y'ar ago
1007.5	1011.1	983.7	987.6

(December 31 1931 = 100)

DOW JONES

Dow Jones	Jan. 3	Dec. 30	Month ago	Year ago
Spot	133.76	135.24	132.67	125.87
Fut'rs	140.63	139.48	137.53	135.02

(Base: December 31 1974 = 100)

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch Killed Sides 85.0 to 88.9; Ulster hindquarters 107.0 to 110.0, Forequarters 58.5 to 62.5. Veal: Dutch Hinds and Ends 144.0 to 148.0. Lamb: English Small 69.0 to 74.5, Medium 68.5 to 72.0, Heavy 64.0 to 67.0; Imported—New Zealand PL 51.0 to 52.0, PM 51.0 to 52.0, PX 45.0 to 47.0, YL 47.0 to 47.0. Pork: English, under 100 lb 41.0 to 52.5, 100-120 lb 47.0 to 51.5, 120-160 lb 38.3 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.34p per kg lw (−3.20). GB—Sheep 148.42p per kg est dcw (−7.00). GB—Pigs 65.02p per kg lw (−6.90).

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: shell cod £6.00-£8.80, codlings £3.20-£4.20; large haddock £4.60-£6.00, medium £3.50-£4.50, small £3.00-£3.50; medium plaice £5.00-£6.00; rockfish £3.00; reds £2.00.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Satsumas—Spania: 10 kg 3.00-3.50. Oranges—Spania: Navels 4.00-5.00; Jaffa: Shamouti 40 4.70, 50 4.80, 60 4.90, 75 4.95, 88 4.95, 105 4.75, 123 4.45, 144 4.25, 168 4.00. Navels 40 4.70, 50 4.80, 60 4.90, 75 4.95, 88 4.85, 105 4.55, 144 4.15, 168 3.80; Moroccan: Navels 4.40-5.00. Lemons—Turkish: 80, 150 3.50-4.50; Cypriot: 8 kg 2.80-4.50; Spania: Tray 5 kg 25/50 1.80-2.40. Grapefruit—Cypriot: 27/56 3.20-4.00; U.S.: Ruby 36/40 6.80-7.00; Jaffa: 64 3.90, 75 3.80, 88 3.60, Ruby 6.80-7.00. Clementines—Spania: 3.50-4.20; Moroccan: 3.80-4.00. Apples—French: Golden Delicious 18 kg 4.00-5.50, 9 kg 2.40-2.80. Starkcrimson 18 kg 4.00-5.00, Granny Smith 18 kg 5.0-5.80, 9 kg 2.50-3.00; U.S. Red Delicious 9.50-14.00; Canadian: 11.00-12.60; Hungarian: Starking 18 kg 4.50. Pears—Dutch: Comice 14 lb 3.50-3.80, Conference 12 kg 5.0-5.40. Grapes—Spanish: Almeria 2.00-2.80, Napoleon 3.30-3.50; South African: Bien Donne 11 lb tray 8.00-9.00, Sultana 8 lb 5.50-6.00; Brazilian: Italia 10 lb per pound 1.00-1.10. Strawberries—Israeli: 8 oz 1.20-1.30; U.S.: 12 oz 1.20. Raspberries—Chilean: 8 oz 1.50-2.00. Sharon Fruit—Israeli: 1.20-1.50. Plums—South African: Santa Rosa 11 lb, per box 2.80-5.00; Zimbabwe: Santa Rosa 7 lb 3.00-5.00; Chilean: 27 lb per pound 0.80. Peaches—Zimbabwe: 3.00-3.50; South African: 3.00-3.50. Apricots—South African: 11 lb 3.50-4.50. Nectarines—Chilean: 70s 12.00; Zimbabwe: 3.00-5.00. Cherries—Brazilian: Per pound 1.80. Melons—Spanish: Green 10 kg 5.0-6.00; Brazilian: Yellow 10 kg 7.00-8.00. Pineapples—Ivory Coast. 20s 0.45, 12C 0.60, 12B 0.80-0.85, 6s 1.30; South African. 5.7 2.00; Ghanaian: 6s 1.20-1.50. Bananas—Colombian: 40 lb boxes 8.00-8.20. Avocados—U.S.: 6.50-7.00; Israeli: 2.50-3.20; Canary: 3.00-3.20. Paw Paws—Brazilian: 5.00-5.50. Kiwifruit—New Zealand: 8.00-8.50. Mangoes—Brazilian: 7.00-8.00; Kenyan: 6.00-7.00; South African: 6.00-7.00. Litchees—South African: Per pound 0.70-0.80. Figs—Turkish: 48s 11.00. Honey Figs—Turkish: 24s 7.20.

Tomatoes—Spanish: 6-kg 3.50-4.00; Canary: 3.50-5.00. Lettuces—Dutch: 12's 3.00, 24's 4.30-4.80. Celery—Israeli: 30's 5.40. Calabrese—Italian: Tray 5-kg 4.00. Artichokes—Egyptian: × 24 9.60-10.00. Aubergines—Canary: 6-kg 4.60-5.00; Kenyan: 4.50. Onions—Spanish: Grano 6.40; Polish: 2.60. Capsicums—Dutch: 5-kg Red 11.00; Spanish: Yellow 6.50; Canary: Green 3.00-3.60, Red 7.00; Israeli: Green 3.50, Red 8.00. Cabbages—Dutch: Red 2.60-2.80, White 2.60-2.80. Courgettes—Kenyan: 6-lb 2.50-3.00; Cypriot. 6-lb 2.50-3.00. Cucumbers—Canary: 4.00. Chicory—Belgian 5-lb 2.20-2.40. Potatoes—Jersey: Per pound new 1.25; Italian 20-lb 3.20-3.40, Canary: 25-kg mids 11.00, ware 9.00, Major/n: bag 6.00; Cypriot: 44-lb bag 5.00-5.20, 27½-lb boxes 5.20-5.50. Cauliflowers—French: 24's 8.00-8.50. Dates—Tunisian: 30 × 8-oz 0.45-0.62. Fresh Dates—Israeli: 11-lb 6.95.

English Produce: Apples—Per pound Bramley 0.06-0.15, Cox's 0.12-0.22, Russets 0.10-0.19, Spartan 0.06-0.16. Pears—Per pound, Conference 0.08-0.20. Comice 0.10-0.20. Potatoes—Per bag 2.20-3.00. Mushrooms—Per pound open 0.30-0.40, closed 0.40-0.50. Lettuce—Per pound 1.20-2.00. Onions—Per 55-lb 1.80-2.80. Pickling Onions—Per 55-lb 3.00-3.50. Cabbages—Per 25-lb 1.00-1.40, per 29/30-lb White Red 1.50-2.40. Greens—Per 25-40-lb Kent 28-lb 1.50-2.00. Brussel Tops—Per 28-lb 1.60-2.00. Sprouts — Per 20-lb 1.00-2.00. Carrots—Per 26-28-lb 1.00-1.60. Turnips—Per 28-lb 1.40-1.60. Swedes—Per 28-lb 0.90-1.20. Parsnips—Per 28-lb 1.80-2.00. Jerusalem Artichokes—Per pound 0.15-0.20. Leeks — Per 10-lb 1.60-1.80

AMERICAN MARKETS

NEW YORK, January 4

Heating oil prices were moderately higher on local buying in anticipation of tough negotiations between Aramco and Yamani. Precious metals recovered on stronger European currencies and a stronger stock market. Copper was lower on profit-taking and arbitrage selling against a weaker pound. Sugar continued weak on negative fundamentals while cocoa came under pressure from reports of recent rains in Brazil. Cotton was under pressure with payment-in-kind expectations providing limited support. The grain and soyabean markets traded in narrow ranges after heavy pressure the previous day. Volumes were moderate due to uncertainty over introduction of the P-I-K programme.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1590	1610	1576	1623
May	1632	1645	1620	1664
July	1665	1680	1652	1698
Sept	1698	1705	1685	1723
Dec	1740	1750	1727	1768
March	1785	—	—	1804

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	131.74	133.50	130.50	132.69
May	125.90	127.60	125.25	127.11
July	122.50	124.00	122.01	123.87
Sept	120.12	121.50	119.75	121.50
Dec	117.25	118.75	116.75	118.25
March	116.00	117.50	117.50	117.62
May	113.75	—	—	113.75

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	69.65	69.15	69.15	70.05
Feb	70.25	—	—	70.65
March	70.90	71.10	70.15	71.30
May	72.00	72.25	71.25	72.35
July	73.10	73.20	72.30	73.40
Sept	74.10	73.95	73.40	74.40
Dec	75.45	75.30	74.80	75.75
March	76.90	76.80	76.20	77.20
May	77.85	77.60	77.50	78.10
July	78.80	78.60	78.30	79.00

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	65.40	65.82	65.40	65.83
May	67.00	67.35	67.00	67.40
July	68.20	68.44	68.00	68.53
Oct	67.41	67.75	67.66	67.80
Dec	67.85	68.15	67.70	68.40

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	456.7	457.7	449.5	453.4
March	460.0	460.5	456.0	456.7
April	463.4	464.5	456.0	460.0
June	470.6	472.0	464.3	467.2
Aug	477.8	477.0	471.0	474.4
Oct	485.4	485.2	482.0	481.9
Dec	493.0	493.0	487.4	489.4
Feb	50.7	—	—	497.0
April	508.7	503.0	503.0	505.0
June	516.7	515.5	516.0	513.0
Aug	525.0	—	—	521.3
Oct	533.0	530.0	529.0	529.7

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Feb	82.45	83.00	81.80	81.96
March	80.72	81.00	80.15	80.09
April	78.69	78.85	78.10	78.03
May	77.68	77.80	77.00	77.00
June	77.70	77.80	77.30	77.20
July	77.75	78.05	77.40	76.75
August	78.00	78.00	78.00	77.00
Sept	79.20	—	—	78.20
Oct	80.60	80.25	80.00	80.00
Nov	81.60	81.50	81.00	80.90

ORANGE JUICE 15,000 lb, cents/lbs

	Close	High	Low	Prev
Jan	115.50	115.50	114.00	114.85
March	116.60	116.70	114.70	115.85
May	117.60	117.75	115.90	117.00
July	119.00	119.00	116.50	118.20
Sept	119.50	119.65	117.90	119.20
Nov	120.00	118.50	118.50	119.70
Jan	120.50	118.50	119.00	120.20
March	121.00	121.10	120.00	120.70
May	121.00	—	—	120.70

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	408.5	407.5	396.0	394.3
Feb	410.0	403.0	403.0	395.8
March	411.0	—	—	396.8
April	416.5	418.0	404.0	403.3
July	423.7	423.0	410.0	410.8
Oct	430.9	425.0	422.0	418.3
Jan	438.4	436.04	430.0	425.8
April	445.9	443.0	438.0	433.3

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	1105.0	1102.0	1090.0	1097.5
Feb	1111.5	—	—	1105.5
March	1120.0	1125.0	1100.0	1114.0
May	1137.9	1143.0	1119.0	1131.3
July	1155.8	1158.0	1138.0	1141.6
Sept	1173.7	1176.0	1160.0	1167.4
Dec	1201.2	1209.0	1184.0	1194.7
March	1229.7	1230.0	1221.0	1222.5
May	1249.2	1240.0	1240.0	1241.6
July	1268.7	—	—	1260.6

SUGAR WORLD "11" 112,000lb, cents/lb

	Close	High	Low	Prev
March	6.43	6.65	6.41	6.70
May	6.75	6.98	6.74	7.03
July	7.03	7.23	7.03	7.30
Sept	7.30	7.55	7.35	7.63
Oct	7.59	7.78	7.58	7.84
March	8.75	8.86	8.69	8.89
May	9.06	9.25	9.10	9.25

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	59.15	59.50	58.97	59.07
April	59.92	60.50	59.90	60.20
June	61.55	61.95	61.47	61.82
August	60.42	60.90	60.40	60.70
Oct	59.25	59.65	59.25	59.60

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	57.72	58.05	57.32	57.35
April	54.72	54.90	54.35	54.37
June	55.80	56.00	55.57	55.62
July	55.60	55.85	55.50	55.65
August	54.05	54.35	53.80	54.02
Oct	48.85	50.17	49.52	49.87
Dec	48.65	49.97	48.85	49.75
Feb	48.50	49.00	48.10	48.40
April	46.55	46.80	46.55	46.25

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	242.6	244.0	242.2	244.2
May	25.12	252.4	251.2	252.6
July	258.4	259.6	258.2	259.6
Sept	264.0	265.0	264.0	265.2
Dec	273.4	274.4	273.2	274.4
March	284.2	285.0	284.2	285.2

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	82.70	83.25	82.20	82.55
March	81.75	82.15	81.10	81.57
May	80.82	81.55	80.50	80.90
July	79.80	80.05	79.20	79.57
Aug	76.85	77.20	76.50	76.35
Feb	66.00	66.00	65.20	66.35
March	64.50	64.60	64.25	64.90

SOYABEANS 5,000 bu min, cents/60lb bushel

	Close	High	Low	Prev
Jan	564.4	565.4	561.2	564.4
March	571.0	572.4	568.4	572.4
May	579.0	580.0	577.0	580.6
July	587.0	587.6	584.4	588.4
Aug	586.4	589.0	586.4	589.0
Sept	564.4	587.4	583.0	587.4
Nov	588.0	590.0	585.2	590.0
Jan	601.0	601.4	601.0	602.4
March	614.0	—	—	617.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	174.5	174.6	173.5	175.1
March	174.3	174.5	173.4	174.5
May	175.0	175.2	174.1	175.3
July	175.6	176.1	175.3	176.0
Aug	176.0	176.5	175.5	176.5
Sept	177.0	177.5	175.5	177.8
Oct	176.5	176.5	175.5	177.0
Dec	178.5	178.5	177.0	179.2
Jan	177.5	179.0	177.5	179.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Jan	15.98	16.06	15.91	16.05
March	16.39	16.45	16.31	16.66
May	16.78	16.86	16.71	16.85
July	17.13	17.24	17.08	17.24
Aug	17.26	17.40	17.25	17.40
Sept	17.40	17.55	17.38	17.56
Oct	17.57	17.70	17.52	17.70
Dec	17.82	17.95	17.82	17.97
Jan	18.04	18.18	18.04	18.18

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	325.0	326.0	322.4	324.2
May	332.6	333.4	330.4	332.2
July	338.4	339.2	336.6	338.2
Sept	348.6	349.4	347.6	348.6
Dec	364.4	365.4	363.2	365.0
March	378.0	378.0	378.0	378.0

SPOT PRICES—Chicago loose lard 17.00 cents per pound. Handy and Harman bullion silver 1086.0 (1094.5) cents per troy ounce. New York tin 554.0-56.0 (553.0-57.0) cents per pound.

Dow closes sharply higher

AN AFTERNOON rally in oil issues spread to the rest of the market and caused stock prices to close sharply higher.

The Dow Jones Industrial Average was off about a point at midday but climbed steadily throughout the afternoon to finish with a gain of 19.04 points at 1,046.08, regaining most of the 19½ points lost yesterday. Advances led declines two to one and volume widened to some 75m shares from 59.08m on Monday.

Analysts attributed the strength in the oil sector to speculation that Saudi Arabia may cut production to support its $34 a barrel price for oil.

* * *

AT MIDSESSION the average was up 3.59 points at 1,030.63; the New York Stock Exchange was ahead 24 cents at $80.03.

ATT and IBM were the most active stocks in the market. Volume leader ATT rose $1 to $60⅞ and IBM climbed 1⅞ to $94⅞.

Video Game and Home Computer Makers were also strong, following a statement by Coleco that fourth-quarter results were better than expected. Coleco rose 2⅛ to $37⅞. Warner Communications ⅞ to $33⅞, Tandy 1⅛ to $47⅞, Commodore 2⅛ to $62⅞ and Toys R U.S. 1½ to $41⅞.

General American Oil moved ahead 1½ to $41⅞. The company is fighting a take-over bid from Mesa Petroleum and yesterday morning said it is holding talks with several other companies which have expressed an interest in making a bid.

Chrysler edged up ⅜ to $16⅞ in heavy trading, but GM shed ⅞ to $60⅛ and Ford ½ to $37½. Today the motor industry is reporting its 1982 car sales, which analysts say should be about a half-million units below 1981.

THE AMERICAN SE Market Value Index, however, was down 1.06 at 338.16 at 1 pm. Volume 4.2m shares.

Canada

Markets were sharply lower at mid-session, reflecting the losses recorded on Wall Street on Monday when Canadian markets were closed for the New Year's Day holiday.

The Toronto Composite Index was off 28.6 at 1,929.5 on volume of 3.29m shares. Falls led rises by 239 to 159. Golds lost 45.2 to 4,172.3 and Oil and Gas 33.7 to 2,649.5.

Tokyo

Shares ended on a mixed note after yesterday's half-day session, which followed several days of closure for the New Year holidays.

Trading volume amounted to a reasonable 250m shares for the short trading period. The Nikkei-Dow Jones Average edged up 4.73 more to 8,021.40, a new closing all-time high, but the Tokyo SE index slipped 1.06 to 592.64.

The yen's sharp rise against the U.S. dollar boosted Domestic Industrial issues in many sectors, but international populars fell in reaction to the setback on Wall Street during the Tokyo market's holiday closure from noon on December 28.

Oils, Defence-related issues, Non-ferrous Metals, Paper Pulps, Chemicals and various High technology issues were bought selectively, but Computer Makers, Light Electricals, Motors and Precision Instruments were sold.

Foreign buyers were active, reflecting the yen's advance, although Steels and Shipbuilders were narrowly mixed.

Many Oil stocks surged on the yen's appreciation and news that U.S. oil majors had asked Saudi Arabia and other oil producers for price rollbacks.

Paper Pulp stocks climbed across the board on reports in a local newspaper that the Administration of Prime Minister Jasuhiro Nakasone may carry out a currency denomination this year. The wave of buy orders, which first swept up such paper stocks as Oji Paper and Jujo Paper, rolled on to cover other denomination-connected issues like Printing, Printing Ink, Printing Machine and Real Estate stocks. Mitsui Real Estate, Sumitomo Real Estate, Toppan Printing and Dai Nippon Printing stood on the winning side.

Maruzen Oil rose Y32 to Y290, General Oil Y25 to Y730, Sumitomo Electric Y14 to Y519, Shimadzu Y12 to Y509, Mitsubishi Paper Y19 to Y314 and Yaskawa Electric Y10 to Y535, but Sony lost Y150 to Y3,490, Hitachi Y17 to Y821 and Victor Japan Y100 to Y2,310.

Germany

Leading shares closed mixed after a moderately active Bourse session that saw the Commerzbank index slip 1.3 to 771.9 from Monday's three-year high of 773.2.

Sentiment in the early market was dampened by the late wave of selling on Wall Street on Monday, but initial declines were partly recouped in most sectors.

The continued attractiveness of fixed-interest paper amid the rise of the D-mark against the U.S. dollar and hopes of further interest rate reductions encouraged further domestic buying later in the session in the share market.

In Motors, Daimler gained DM 1.50 at DM 400 and Mercedes DM2 at DM 355.50.

Public Authority Bonds scored rises of generally around 35 pfennigs. The Bundesbank sold DM 37m of paper.

Paris

Higher in active trading, partly on buying by institutional investors.

Selling of shares, bought at the end of last year to take advantage of the "monory law" tax concession, depressed the market on Monday. However, this type of selling was less evident yesterday, and this helped market sentiment. A rise in the Call Money Rate to 12⅞ per cent from 12⅞ made little impact on

Australia

Gold stocks dominated the opening of the 1983 Australian share market yesterday, with strong gains recorded. Markets were otherwise quiet but with a firmer tendency prevailing.

Brokers reported strong international support for most Gold stocks, and said the fall in the U.S. dollar in Tokyo would have made gold slightly more attractive.

The All Ordinaries index closed 2.3 up at 457.8.

Central Norseman Gold advanced 50 cents to A$9.00, GMK 60 cents to A$9.80 and Poseidon 30 cents to A$6.60, while Emperor added 15 cents at A$1.85 and Whim Creek 13 cents at A$1.18. Square Gold moved up from 18 cents buyer to 28 cents.

Switzerland

Domestic shares closed steady on balance despite some profit-taking in recently favoured issues.

Dealers said the market's overall performance remains good, with yesterday's sales more than offset by the continuing positive effect of Monday's cut in Customer Time Deposit rates and the sustained firmness of the Swiss franc.

Hong Kong

The market lost a little more ground in extremely thin dealings following the suspension of Whitehall Finance and the deregistration of four deposit-taking companies.

The Hang Seng index finished off a slight 4.35 more at 761.61, while combined turnover on the four exchanges further contracted to HK$40.37m from Monday's HK$51.60m.

Brokers said that institutions remain almost completely uninvolved in the market and that many smaller investors are putting money into gold or the horse races, which are very popular here. Several speculated that activity could remain anaemic until the Chinese New Year holiday in the second week in February.

Singapore

Share prices declined fairly sharply over a broad front in moderate trading. Lack of fresh buying support coupled with stop-loss selling and the overnight fall on Wall Street was said to have depressed sentiment. The Straits Times Industrial index dipped 12.90 to 712.49.

NEW YORK

Indices

NEW YORK - DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

MONTREAL

TORONTO

New York Active Stocks

CANADA

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

HOLLAND

HOLLAND (continued)

ITALY

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

JAPAN (Continued)

SINGAPORE

SOUTH AFRICA

Financial Rand US$0.75½ (Discount of 19%)

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON STOCK EXCHANGE

Markets enter 1983 basically firm but on muted note owing to trading volume—Long-awaited bid for UDS

Account Dealing Dates

Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Dec 13	Dec 29	Dec 30	Jan 10
Dec 31	Jan 13	Jan 14	Jan 24
Jan. 17	Jan. 27	Jan. 28	Feb. 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

Contrary to the New York experience, London stock markets began 1983 basically firm but muted by a relatively low volume of business. Government securities resumed their upward momentum as American broker loan rates and the cost of overnight money eased following the cumination of end-year seasonal influences which had caused last week's unexpected rises. The latest fall in U.S. money growth, albeit smaller than anticipated, failed to dampen revived hopes that interest ratese there were set to move lower.

Sterling's improvement against the dollar yesterday also imparted encouragement to the Gilt-edged sector. Specific high-coupon longs rebounded ½ before easing to close around ¼ up on balance with short-dated stocks achieving similar gains. The provisional estimates of UK monetary aggregates for banking month December made little impact on sentiment.

Equity markets moved indecisively initially, being hampered by overnight Wall Street trends—the Dow Jones index dropped nearly 20 points on Monday—but slowly gained in confidence on the tone of the Gilt-edged market. Traditional New Year recommendations led to numerous firm features, but leading industrials were often relegated to the sidelines.

Retailers attracted more than their fair share of interest and the sector was highlighted in the late afternoon by the long-awaited bid for UDS. A consortium headed by Heron International, and including pension schemes of three nationalised industries, is bidding 100p cash per share for each UDS. The rise in the latter of 6 to 95p accounted for over half of the closing 2.2 rise, to 598.9, in the FT Industrial Ordinary share index.

Banks easier

Weekend Press comment on the international debt crisis in the wake of Brazil's shock move to freeze the repayments of over $4bn of medium- and long-term debts created renewed nervousness in the banking sector. Marked lower at the outset, the majors continued to ease on sporadic nervous offerings to close with falls ranging to 7. Lloyds lost that much to 395p, while Barclays shed 6 to 388p as did NatWest, to 446p. Midland ended a few pence off at 295p, after 292p, sentiment not being helped by the announcement that Romania is to withold debt repayments this year of over $1bn until a rescheduling agreement is agreed. Elsewhere, selected merchant banks moved higher in response to Press comment. Guinness Peat put on 3 to 55p and Hambros 5 to 125p.

Brentnall Beard stood out in Insurances with a speculative rise of 4 to 25p. Commercial Union edged forward 2 to 126p in response to Press comment, but Eagle Star, at 352p, lost 3 of last week's gain which reflected revived hopes of a bid from Germany's Allianz.

Property concern Tops Estates made a bright debut in the Unlisted Securities Market; placed at 10½p, the shares opened at 16p and, in a market none-too-well supplied with stock, moved up to 28p.

Occasional support and the absence of sellers enabled selected leading Buildings to make modest progress, Barratt Developments rising 4 to 472p and Redland 3 to 238p. Burnett and Hallamshire shed 20 to 895p on news that the company's South African subsidiary, Rand London Corporation, intends to raise funds via a rights issue.

Press comment on the company's 1983 prospects encouraged fresh support for ICI which touched 366p before closing 4 dearer on balance at 364p. Other Chemicals also made progress following Press comment. Allied Colloids rose 10 to 341p and Croda International 2 to 95p, while demand in front of tomorrow's preliminary results lifted Hicksen and Welch 7 to 282p.

UDS up on bid

Business in leading Stores, virtually non-existent for most of the session, was boosted by the late afternoon announcement of the widely-anticipated takeover bid for UDS; the shares advanced 6 to 95p, after 96p, compared with the 100p cash offer from Bassishaw Investments, a consortium headed by Mr Gerald Ronson's Heron International. Other major counters also closed around the day's best on hopes of further rationalisation in the sector. Burton, often mooted as a possible suitor for UDS and consequently a dull market in recent weeks, rallied 13 to 315p, while Debenhams firmed 4 to 106p. Stead and Simpson, in which UDS controls a near-30 per cent stake, jumped 9 to 90p reflecting speculative support with sentiment also aided by Press comment.

Favourable mention was also responsible for a gain of 4½ to 101p in Steinberg, while reports of bumper sales buoyed Harris Queensway, 12 up at 328p, and MFI, 9 better at 160p, after 162p. Empire attracted sporadic late support and firmed 4 to 92p: the Monopolies Commission report on the proposed bid from Great Universal, 5 dearer at 598p, is expected tomorrow morning.

Numerous firm features emerged in secondary Electricals. Following an investment recommendation, Fobel gained 8 to 109p and, still reflecting the current boom in video sales, Fidelity Radio advanced 6 more to 81p. Press comment helped Grosvenor to put on 2½ to 25p, while improvements of 3 and 6 respectively were seen in Forward Technology, 29p, and Sound Diffusion, 212p. A. and G. Securities rose 10 to 280p. The quietly firm leaders had BICC a few pence better at 273p and Plessey closed a penny harder at 610p, after 612p, following details of the group's U.S. acquisition and joint satellite and cable venture.

Cocksedge encountered further buying interest and rose 7 more to 39p, after 40p, following Press comment on Suffolk Securities' recent acquisition of a stake in the company. Elsewhere in the Engineering sector, ML Holdings edged up 5 more to 305p. New Year tips to make headway included Habit Precision, 3 higher at 33p, and Davy Corporation, 4 to the good at 74p. Further support left W. Williams 4 dearer at 84p, while buyers also showed interest in Johnson and Firth Brown, which improved 1½ to 8p. In contrast, Anderson Strathclyde eased 4 to 166p following the company's proposed tender offer of about £20m for up to 51 per cent of National Mine Service of the U.S. Occasional offerings left Stothert and Pitt 6 lower at 68p, while F. Pratt were also dull at 25p, down 3.

Among Foods, Tate and Lyle were noteworthy for a gain of 10 to 230p; the annual results are due shortly. Lennons put on 3 to 40p on revived speculative interest. Press comment prompted support for Bernard Matthews, which touched 135p before closing a net 7 up at 127p, but speculative counter Bio-Isolates encountered profit-taking and reacted to 250p before settling 15 down on balance at 255p.

Grand Metropolitan met renewed support and firmed 4 to 338p, while Ladbroke gained a like amount to 170p. De Vere, a thin market, rose 5 to 215p following an investment recommendation, while Garfunkels Restaurants, a recent newcomer to the Unlisted Securities Market, put on 4 to 105p.

New Year recommendations produced a number of good features among miscellaneous industrials. Benlox stood out with an advance of 9 at 41p, while the 8 per cent Preference gained 16 in sympathy to 151p. Applied Computers jumped 20 to 272p, Avon Rubber 5 to 93p, and Pritchard Services 4 to 140p. Sidlaw put on 8 to 278p. Still reflecting recent comment on the company's recovery prospects, Hoover A rose 13 more to 120p, while Armour Trust firmed a penny to 19½p, after 21p, in response to the interim results. Investment buying brought about an improvement of 10 to 166p in Cole Group and, after another useful demand, Scottish Heritable Trust closed 5 higher at 51p. Mettoy improved 2 to 11p as did the Deferred, to 10p, but Sothebys cheapened 10 to 495p ahead of next Monday's preliminary results. BTR featured the quiet leaders with a Press-inspired improvement of 6 to 384p.

Percy Bilton touched 202p before closing a net 16 up at 200p following the death of the founder-chairman. Stewart Nairn gained 4 to 66p, after 68p, following Press comment highlighting the company's U.S. property deals. Favourable comment also sparked support for Fairview Estates, which put on 6 to 110p.

Oils quiet

Oil shares showed few signs of life. Despite the overnight setback on Wall Street, quotations opened on a steady note and made a half-hearted improvement of a penny or so before drifting back to close little changed on balance.

Boardroom altercations and the subsequent departure of managing director Mr Malcolm Horsman resulted in a brisk business in Tozer Kemsley and Millbourn which dropped to 23p only to rally smartly to finish a net penny to the good at 27p.

Financials were featured by fresh demand for Aitken Hume, up 20 more at 375p, after 379p, following Press mention. Mills and Allen moved up 10 to 280p. Trusts were usually better, gains of 5 being marked against Fleming Far Eastern, 164p, Gresham House, 210p, and RIT Northern, 159p.

Interest in Shippings was at a fairly low level, but Ocean Transport, a penny down at 79p, were relatively lively.

Press recommendations prompted a couple of outstanding firm spots among Textiles. Lister were particularly firm at 39p, up 9, while major Marks and Spencer supplier Nottingham Manufacturing rose 12 to 210p with the 6¼ per cent Convertible Loan 6 up at 184p.

Tobaccos closed at the top. Bats improved 11 to 636p; the company's subsidiary Wiggins Teape has sold its holding in Associated Pulp and Paper in Australia for A$32m. Rothmans gained 5 to 120p on Press comment.

Scattered support was evident for Plantations. Anglo-Indonesian rose 3 more to 73p, while Kuala Selangor firmed 10 to 223p. Rightwise, on the other hand, fell 24 to 138p in a thin market.

Golds mixed

The marginal South African Golds and the leading Australian gold issues held the limelight in a generally quiet mining market.

Favourable Press comment and a relatively steady performance by the bullion price—up $1.5 at $449.5—boosted East Rand Proprietary, up ½ to a 1982-83 high of £13⅞. Loraine advanced 25 to 422p.

Other stocks to move ahead in an uncertain South African Gold sharemarket included Driefontein, which rose ½ to £20¼ and Unisel, 25 to the good at 877p.

The remaining issues were mostly a fraction easier on lack of interest, and the Gold Mines index reflected this with a loss of 4.3 to 552.2.

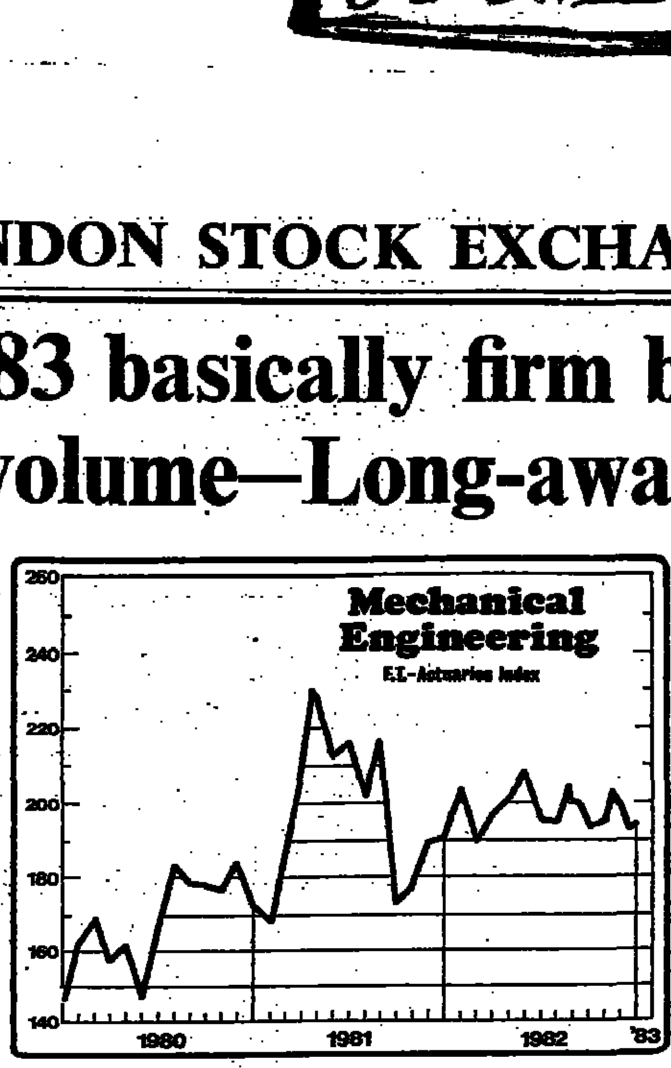
Financials put on a bright performance, especially the London-based stocks. Rio Tinto-Zinc were active and rose sharply in afternoon trading to close a net 13 higher at 468p. Charter rose 5 to 233p following the latest moves in the Anderson Strathclyde saga.

South African Financials were highlighted by good demand for De Beers which rose 10 to a 1982-83 high of 392p; the 1982 diamond sales figure should be announced in the next couple of weeks. Anglo American Corporation closed a like amount higher at 980p.

A strong performance by overnight Sydney and Melbourne markets produced substantial gains in Australians, most notably Golds which all moved to 1982/83 highs. Central Norseman jumped 45 to 580p, Gold Mines of Kalgoorlie 35 to 590p and Poseidon 18 to 358p. North Kalgurli edged up 2 to 47p.

The speculative Golds were featured by Whim Creek, 7 better at a 1982/83 high of 68p and Acorn Securities, 2 up at 49p. A heavy two-way business was reported in Kia Ora and Cons. Gold Mining Areas reflecting weekend Press comments; both closed unchanged.

Dealers reported subdued conditions in Traded Options with only 1,041 contracts done. British Petroleum and Vaal Reefs recorded 127 and 111 calls respectively. Selected financials made a good showing with RTZ February 460 calls 8 up at 32p and Cons. Gold Fields January 500 calls 3 dearer at 14p.



FINANCIAL TIMES STOCK INDICES

	Jan. 4	Dec. 31	Dec. 30	Dec. 29	Dec. 24	Dec. 23	A year ago
Government Secs.	81.45	81.19	81.79	81.79	80.53	80.24	62.34
Fixed Interest	83.11	81.93	82.19	82.09	81.62	81.66	63.15
Industrial Ord.	598.9	596.7	593.6	593.7	590.2	588.4	522.3
Gold Mines	552.2	556.5	562.2	552.9	536.3	526.1	301.5
Ord. Div. Yield	5.02	5.05	5.07	5.07	5.09	5.10	5.73
Earnings, Yld.% (full)	10.82	10.88	10.92	10.92	10.96	10.99	10.05
P/E Ratio (net) (*)	11.09	11.03	10.98	10.99	10.95	10.92	12.70
Total bargains.	15,185	18,003	14,758	12,757	7,555	16,655	15,803
Equity turnover £m.	—	79.26	143.26	82.84	60.06	136.49	66.2
Equity bargains	—	11,442	16,276	9,577	5,928	12,073	10,671
Shares traded (ml)	—	69.1	110.3	64.8	42.2	109.2	58.3

10 am 595.5. 11 am 596.8. Noon 596.7. 1 pm 596.9. 2 pm 597.0. 3 pm 597.3.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=10.30.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (3/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	637.4 (12/11)	516.1 (6/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	562.2 (30/12)	181.2 (22/6)	562.2 (30/12/82)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 31	Dec. 30
Daily		
Gilt Edged Bargains	98.5	140.3
Equities Bargains	74.1	105.5
Equities Value	160.2	289.6
5-day Avrge.		
Gilt-Edged Bargains	112.9	125.2
Equities Bargains	71.6	73.7
Equities Value	202.9	227.3

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]											
[illegible]	F.P.	—	175	149	NMW Computers	155	+2	g3.0	2.6	2.8	16.4
52	F.P.	1/12	150	80	PineappleDnceSt'a10p	150	+10	td1.5	—	1.4	57.0
§93	F.P.	4/2	185	145	Resource Tech.10p	180	+2	—	—	—	24.6
525	F.P.	14/1	217	143	S.T.C (New)	200		b6.0	1.9	4.3	16.4
§62½	F.P.	21/12	142	103	SlatersFoodPrds10p	142		b2.0	3.6	2.0	15.0
§120	F.P.	—	125	112	Swindon Priv Hos £1	112		—	—	—	—
§§210	F.P.	17/12	305	275	SystemsDesign'rs 10p	287		b2.2	3.5	1.1	36.8
£355	F.P.	3/12	£375	£350	Technofan SA Fr100	£350		uFr150	2.0	5.2	15.5
§10½	F.P.	—	28	16	Tops Estates 10p	28		—	—	—	—
**	F.P.	18/2	195	190	Transcontl. serv. 50c.	190		H6.7	—	5.0	—
§80	F.P.	—	87	55	††Voyager Pet. (UK)	55		—	—	—	—
£0.84	F.P.	12/11	69	68	Woodchester Invs.	70		bQ3.16	4.1	4.5	5.8

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
**	F.P.	—	107½	102	AMEC 15% Uns. Ln. 1992	107½	+1
97.504	£25	4/3	29½	19¾	BOC 12¼% Uns. Ln. 2012 17	23½	−¾
99.431	£20	10/4	21⅞	14¼	Birmingham 11½% Red. 2012	16⅞	+⅝
96.574	£25	29/4	26¼	25½	Bishopsgate Tst. 7.17% Stpd Deb 2023	26¼	+¼
100	£10	24/12	11	9½	Cambridge Water Works 7% Red Prf '89	9½	
**	F.P.	4/2	94	89	Espley Tyas 11¼% Conv. Uns. Ln. 1988	89	
97.91	£30	—	32	19¾	European Inv. Bk. 11% Ln. 2002	23	+½
99.657	£30	23/6	30¼	24	Inter-American Dev. Bk. 12½% Ln. 2003	27	−½
**	F.P.	—	35p	30p	Jessel Toynbee 3.75% Red Cum. Pref.	35p	
**	F.P.	—	42	42	Keep Inv.Tst. 4.9% Net.Red.Cum.Pref.	42¼	
99.799	£25	31/5	25½	23¾	London Shop 12.5% 1st Mt. Deb. 2015-20	25¼	
99.15	£25	31/5	24¾	22	NatWest 12½% Sub. ord Uns Ln.2004	24½	+½
—	—	—	99¾	98⅝	Nationwide Bg.Soc. 9⅞% Bds. 29 11 83	98⅞	
—	—	—	100¼	100	Do. 11¼% Bds. 19 12 83	100¼	
§99.798	£30	25/2	30¾	27¼	Scottish Eastern Inv. Tst 12¾% Deb. 2012	30½	+¼
‖100	F.P.	25/4	124	107	Tesco 9% Cnv. Uns. Ln. 2002-07	113	
**	F.P.	18/2	85	85	Transcont. 9% Cnv.Ret.Uns.Ln.Nts.1993	85	

"RIGHTS" OFFERS

Issue price	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
60	Nil	14/1	11/2	10½pm	8pm	ICL	10½pm	
117	F.P.	31/12	31/1	145	136½	Park Place Inv	144½	
470	Nil	11/1	11/2	64pm	53pm	Wolseley-Hughes	64pm	

Renunciation date usually last day for dealing free of stamp duty. Fr French Francs. b Figures based on prospectus estimate. a Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✽ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. ◆ Merger bid or reorganisation in progress.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aitken Hume	375	+20	Harris Queensway	328	+12
Benlox	41	+9	Lister	39	+9
Bilton (Percy)	200	+16	Loraine	422	+25
Comb Technology	69	+1	MFI	160	+9
East Rand Props	£13⅞	+½	RTZ	468	+13
Gold Mines Kalgoorlie	590	+35	Sotheby's	495	−10

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Fri. close	Day's change	Stock	No. of changes	Fri. close	Day's change
Comb Tech	17	68	+6	Security Cntrs	11	260xd	—
Arlen Elec	15	175	+21	Electro-Protect	10	214	+14
Bio-Isolates	15	270	+15	Hawley Group	10	116	+7
ICI	13	360	+8	KCA Intnl	10	52	+4
Multitone	13	175xd	+17	Plessey	10	609	+5
Aitken Hume	12	355	+26	GEC	9	209	+3
Mercantile Hse	11	625	+25	UDS	9	89xd	+5½

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

EQUITY GROUPS & SUB-SECTIONS	Tue Jan 4 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Dec 31 Index No.	Thur Dec 30 Index No.	Wed Dec 29 Index No.	Fri Dec 24 Index No.	Year ago (approx.) Index No.
[illegible]										

FIXED INTEREST

PRICE INDICES	Tue Jan 4	Day's change %	Fri Dec 31	xd adj. today	xd adj. 1983 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Tue Jan 4	Fri Dec 31	Year ago (approx.)
[illegible]			

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (145)

BRITISH FUNDS (1)
FOREIGN BONDS (1)
CANADIANS (2)
BANKS (4)
BREWERS (1)
BUILDINGS (2)
CHEMICALS (6)
DRAPERY & STORES (6)
ELECTRICALS (8)
ENGINEERING (5)
FOODS (3)
HOTELS (1)
INDUSTRIALS (18)
INSURANCE (1)
LEISURE (2)
MOTORS (3)
PAPER (1)
PROPERTY (4)
SHIPPING (1)
TEXTILES (1)
TRUSTS (52)
OIL & GAS (3)
MINES (19)

NEW LOWS (11)

ELECTRICALS (1)
Petbow Hldgs.

ENGINEERING (2)
Cronite Group; Pratt (F.)

INDUSTRIALS (3)
AIM; Silverthorne; Cookson

SHIPPING (1)
Runciman (W.)

TEXTILES (1)
Sakers

OILS (3)
Imp. Cont. Gas 8pc Cnv. Uns.; Magnet Metals; Saxon

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	89	—	8
Corpns., Dom. and Foreign Bonds	17	1	59
Industrials	245	168	912
Financial & Props.	145	47	328
Oils	19	20	71
Plantations	3	3	17
Mines	49	38	61
Others	43	72	61
Totals	610	349	1,515

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan 10	Jan 21	Apr 21	May 3
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31

For rate indications see end of Share Information Service

Calls were transacted in Nimslo, Lonrho, Kia Ora, Grand Metropolitan, Supra, Premier Oil, Poseidon, UDS, Offshore, Hardanger, Chloride, Avon Rubber, Resource Technology, Charterhall, Combined Technologies, Mills and Allen, Ocean Transport and KCA International. Puts were completed in Lex Service, St. Helena, Blyvoor, Free State Geduld and Premier Oil. A double was taken out in Arlen Electrical.

London Clearing Banks' balances

as at December 8 1982

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the London clearing banks and cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector.

TABLE 1. AGGREGATE BALANCES

LIABILITIES	Total outstanding £m	Total outstanding £m	Change on month £m	Change on month £m
Sterling deposits:				
UK monetary sector	16,658		+ 403	
UK private sector	50,349		+ 675	
UK public sector	1,303		+ 109	
Overseas residents	7,376		+ 244	
Certificates of deposit	4,279		− 133	
		79,966		+1,298
of which: Sight		25,849		+1,583
Time (inc. CD's)		54,117		− 285
Foreign currency deposits:				
UK monetary sector	15,926		− 358	
Other UK residents	3,623		+ 172	
Overseas residents	33,927		−1,016	
Certificates of deposit	6,413		+ 270	
		59,889		− 931
Total deposits		139,854		+ 367
Other liabilities*		15,858		− 165
TOTAL LIABILITIES		155,713		+ 202
ASSETS				
Sterling				
Cash and balances with Bank of England		1,373		+ 63
Market loans:				
Discount houses	2,907		− 186	
Other UK monetary sector	14,734		+ 454	
Certificates of deposit	1,906		+ 117	
Local authorities	1,307		− 19	
Other	1,412		+ 3	
		22,267		+ 368
Bills:				
Treasury bills	162		− 47	
Other bills	1,244		− 242	
		1,406		− 289
Special deposits with Bank of England		—		—
Investments:				
British Government stocks	2,735		+ 97	
Other	2,801		− 12	
		5,536		+ 85
Advances:				
UK private sector	50,414		+ 551	
UK public sector	378		− 20	
Overseas residents	3,768		− 29	
		54,560		+ 502
Other sterling assets*		8,849		+ 118
Foreign currencies				
Market loans:				
UK monetary sector	16,193		− 251	
Certificates of deposit	627		+ 96	
Other	24,380		− 130	
		41,200		− 286
Bills		114		− 5
Advances:				
UK private sector	3,385		− 111	
UK public sector	489		− 29	
Overseas residents	13,278		− 221	
		17,153		− 361
Other foreign currency assets*		3,254		+ 7
TOTAL ASSETS		155,713		+ 202
Acceptances		2,859		− 57
Eligible liabilities		58,451		+ 613

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Out-standing £m	TOTAL Change on month £m	BARCLAYS Out-standing £m	BARCLAYS Change on month £m	LLOYDS Out-standing £m	LLOYDS Change on month £m	MIDLAND Out-standing £m	MIDLAND Change on month £m	NATIONAL WESTMINSTER Out-standing £m	NATIONAL WESTMINSTER Change on month £m	WILLIAMS & GLYN'S Out-standing £m	WILLIAMS & GLYN'S Change on month £m
LIABILITIES												
Total deposits	139,854	+ 367	37,699	+617	27,039	− 310	27,866	−546	43,711	+ 589	3,740	+ 17
ASSETS												
Cash and balances with Bank of England	1,373	+ 63	418	+ 31	226	+ 19	297	− 8	365	+ 3	67	+ 18
Market loans:												
UK monetary sector	33,833	+ 17	7,945	+117	6,869	− 211	3,653	−382	14,676	+ 429	690	+ 64
Other	29,633	+ 66	7,637	+172	6,023	− 249	6,429	+203	8,741	− 20	803	− 40
Bills	1,520	− 294	474	− 17	353	− 163	322	− 50	338	− 58	33	− 5
British Government stocks	2,735	+ 97	971	+ 89	452	+ 7	789	+ 6	436	− 7	87	+ 2
Advances	71,714	+ 141	21,113	+150	13,731	+ 227	15,079	−395	19,691	+ 188	2,099	− 29

TABLE 3. INDIVIDUAL GROUPS OF BANKS' ELIGIBLE LIABILITIES

	TOTAL Out-standing	TOTAL Change on month	BARCLAYS Out-standing	BARCLAYS Change on month	LLOYDS Out-standing	LLOYDS Change on month	MIDLAND Out-standing	MIDLAND Change on month	NATIONAL WESTMINSTER Out-standing	NATIONAL WESTMINSTER Change on month	WILLIAMS & GLYN'S Out-standing	WILLIAMS & GLYN'S Change on month
ELIGIBLE LIABILITIES	58,451	+ 613	18,576	+339	10,870	+ 133	11,145	−136	16,130	+ 255	1,729	+ 23

Letters to the Editor

Stabilising the international banking system

From Mr D. Lewis

Sir,—The very substantial indebtedness of numerous countries in South America, Eastern Europe, etc owed mainly to Western banks is rightly causing grave concern as to the stability of the banking system. Although efforts are now being made to lend further monies to these countries, whereby they are able to meet their current interest obligations, it is inevitable that there will eventually be a time when continued rolling over of loans which are incapable of repayment will become beyond the capacity of even the largest banks.

The eventual upturn in the economic cycle will be the only real basis for anticipation of a genuine increase in income in these countries so that they will be able to make real repayments of interest and/or capital. The upturn may be longer in arriving than presently hoped for and in these circumstances the risk of grave repercussions within the Western banking system must be growing. These non-interest bearing loans are a very high percentage of capital and reserves of the banks and the implications of writing off these debts would be very serious indeed.

These loans were made as a result of the so-called re-cycling of the oil surpluses which arose in substantial amounts from the mid-1970s. The rise in oil prices meant that huge surpluses were available within the oil-producing countries and these were substantially deposited with Western banks who then lent them on to countries with massive requirements for development capital. It is these countries which are now mainly unable to repay or even service the loans. There is surely a very strong case for the depositors of these sums to accept a direct burden of the ultimate borrowers to repay.

If there had been in the mid-1970s an international organisation amongst the oil-producing countries which would have been able to re-cycle these surpluses on a multi-national basis, and lend them on to the developing countries, the present problems would not have caused any potential grave repercussions within the entire Western banking system. The banks took the deposits and of course are presently obliged to pay interest on the deposits, notwithstanding that the borrowing countries cannot pay interest to the banks.

A scheme should be devised whereby these deposits are repaid to the oil-producers who then immediately re-lend the monies to the developing countries who then repay their loans back to the Western banks. Thus the oil-producers will be direct lenders to the developing countries, and the banks will no longer have to accept the immense imbalance of these loans as against their capital and reserves. The oil-producing countries would then be in a position to accept that a considerable proportion of these loans would not bear interest until there was an economic upturn and at the same time the massive investments that they have made in the Western economies would be protected in so far as a major financial crisis would be averted which would otherwise undoubtedly affect the value of all investments that they have made in Europe, America and elsewhere.

It seems unreasonable that the Western banks should have to accept the present risks as a result of their having been the agent for the re-cycling of the massive surpluses that arose from the mid-1970s. This should be a matter of principal to principal rather than the banks who were used as intermediaries having to accept all the burdens and none of the benefits. The International Monetary Fund should take a lead in seeking to set up an appropriate multi - national organisation led by the major oil-producing countries so as to re-cycle backwards the monies that were generated from 1974 onwards.

David Lewis.
76, Gloucester Place, W1

Strategies for energy

From Mr L. Bloch

Sir, — The fact that the Organisation of Petroleum Exporting Countries' meeting in Vienna ended in disarray casts a dark shadow on the guarded optimism of Mr Anthony Harris's analysis (December 16). He claimed that the point for debate for future historians, will be not so much why oil prices rose so steeply in the 1970s, but why the oil companies have been able for so long, to buy crude oil at a fraction of the cost of any alternative source of energy.

This completely disregards both the low cost of extraction of Gulf oil and the extraordinary abundance of oil resources in the 1960s. It is like arguing that the cost of water should be increased tenfold to the level of the cheapest alternative drink.

He completely ignores the political dimension of the Opec sting: The clamour for a new economic order and the complete failure of the industrial democracies to protect their interests in cheap fuel by using or threatening to use economic and potential counter-measures.

Mr Harris feels that the high oil prices had the merit of making the world aware that oil supplies were not unlimited. He overlooks that this could have been achieved without the exhorbitant and ruinous price rises, by the importer countries imposing a high oil sale tax on consumers. This would have produced valuable internal revenue without debilitating the importers' economies.

Mr Harris is also rather kind to the central banks. Has it occurred to him that they would not have been in the difficulties in which they find themselves now had they been less greedy and contented thmselves to deal with the recycling of petro-dollars as commission agents, rather than as principals.

Lionel Bloch.
9 Wimpole Street, W1.

Dear readers—every one

From Mr J. Wells

Sir, — Malcolm Rutherford (Politics Today, December 23) says "Some of the analysis may be surprising to readers of the Financial Times only because of its source." As a veteran of Left-wing conferences I can tell Mr Rutherford that a fair number of FT readers would be far from surprised. The most common newspaper on view at these conferences (next to the Guardian) is the FT. Perhaps it is Mr Rutherford who would be surprised by the readership of the Financial Times.

Jonathan Wells.
4 Forresters Close,
St Johns,
Woking, Surrey

A wholly serious figure

From the Editor Marxism Today

Sir, — Malcolm Rutherford's article "The Left adapts to Thatcherism" (December 23) was a very interesting and thoughtful look at the Left. Could I however, make just one point? Marxism Today certainly regards Tony Benn as a "wholly serious figure": indeed, we have published a number of important articles and interviews by him over the last couple of years, and we have considerable respect for the contribution that he has made to the Left.

Martin Jacques
Marxism Today,
16 St John Street, EC1.

FT COMMERCIAL LAW REPORT

Michaelmas Term: digest of cases

FROM NOVEMBER 9 TO DECEMBER 1, 1982

Merkur Island Shipping Corporation v Laughton (FT, November 9).

The International Transport Workers Federation (ITF) again failed in an attempt to improve wages for seamen by blacking an offending ship. The Transport and General Workers' Union had co-operated with the ITF by refusing to supply the tugs needed to take the Hoegh Apapa out to sea after off-loading at Liverpool. However, the Court of Appeal held that as no contract existed between the shipowners and the tugowners, the secondary action of the tugmen fell outside the statutory immunity afforded by section 17 of the 1980 Employment Act.

*

Andre and Cie SA v Tradax Export SA (FT, November 10)

In this case, concerned with the U.S. soyabean embargo of 1973, the plaintiff sellers in a string won their appeal from a decision that they were not protected by the GAFTA form 100. Lord Justice Kerr said, in the Court of Appeal, that the contract had been limited to 40 per cent by the embargo and that when it was lifted, the sellers had tried their best to procure the order within the limitations of the string at the time. They were not expected to establish the position of all the traders in the string in order to rely on non-fulfilment of their contract.

*

Semmar (FT. November 12).

The defendant shipowners contended that only a Sudan court had jurisdiction to hear the plaintiffs' claim for damages for fraud. But, in refusing leave to amend or set aside their motion for a stay of proceedings, Mr Justice Sheen said that the agreement was evidenced by the bills of lading and the claim arose out of a carriage of goods in a ship, thus falling within the Admiralty jurisdiction. The defendants' action to stay all proceedings was a waiver of any irregularity in the service of a writ, and the application to amend was intended only to deprive the plaintiff cargo owners of their rights, and so could not be granted.

*

Care Shipping Corporation v Latin American Shipping Corporation (FT, November 16).

Mr Justice Lloyd said that although freight in the strict sense meant bill of lading freight or freight earned under a voyage charter, it now extended to any remuneration derived from employment of a vessel. The present case comprised four parties, the owners, the head-charterers, and two sub-charterers. The charterparty stipulated that the owners had a lien on sub-freights for any hire due to them. The judge upheld their claim against the sub-sub-charterers, on the grounds that the head-charterers, as equitable assignees, had assigned to the owners the benefit of the contractual lien for the hire which was due to them.

*

Industrie Chimiche Italia Centrale v Nea Ninemia Shipping Company (FT, November 17)

In a charterparty the owners were to be responsible for navigation and, should the vessel be lost, were to return to the charterers all unearned money ". . . errors of navigation excepted." The vessel became a constructive total loss due to negligent navigation. In giving judgment for the charterers for breach of charterparty, Mr Justice Bingham said that the arguments led to the conclusion that the clause was not intended to confer exemption in respect of negligent errors of navigation.

*

Glantre Engineering Limited v Goodhand (Inspector of Taxes) (FT November 19)

Glantre Engineering paid £10,000 to a chartered accountant, Mr Wells, as an inducement for him to join the company. The question whether this sum was an emolument, taxable together with his salary, was essentially one of fact, Mr Justice Warner said in the Chancery Division. The court would not interfere with the Commissioner's conclusion that the payment, made when Mr Wells took up his post, was to be regarded as an emolument arising from his new employment and not as compensation for the losses he incurred by leaving his previous post.

*

Therm A Stor Ltd v Atkins and Others (FT, November 23)

Sir John Donaldson, MR, said that it was tempting to provide a remedy for the respondents, who had been dismissed by their employer because of his indefensible reaction to a written request from a trade union for recognition. However, statutory protection covered only employees who, in their individual capacity, lost their jobs for taking part in union activities. The parliamentary intention, as expressed in the Employment Protection (Consolidation) Act 1978, did not extend to trade union activities which then led to the loss of jobs.

*

Berliner Motor Corporation and Another v Sun Alliance & London Insurance Ltd. (FT. November 24)

In 1976, in an English court, American motor-cycle wholesalers and retailers were given judgment against Norton Villiers, a motor cycle manufacturer of an alleged defective vehicle. Norton Villiers had gone into liquidation the previous year and the plaintiffs now sought to recover under a policy entered into between the manufacturer and its insurers. In giving judgment in favour of the insurers, Mr Justice Bingham said that Norton Villiers took 10 months to inform the insurers of the claim, in breach of a condition of the policy, so that they were deprived of the opportunity of taking action in their defence.

*

International Sea Tankers Inc v Hemisphere Shipping Co. Ltd (FT, November 26)

The Wenjiang was trapped in the Shatt-al-Arab waterway at the outbreak of the Gulf War in September 1970. The arbitrator had given the date of the frustration of the contract as November 24 while the charterers contended that his findings of fact inevitably pointed to the date of frustration as October 7. Mr Justice Bingham rejected their contention, saying that the arbitrator had adopted the correct approach of looking at the surrounding circumstances and the prospects of the vessel's release rather than at the onset of the hostilities in order to reach his decision on the frustration date.

*

The Hollandia (FT, November 30)

The purpose of the international convention which incorporated the Hague-Visby Rules was to bring about a unification of the law relating to liability on bills of lading, Lord Diplock said. The Rules were also directly enforceable in the UK as part of its statute law. Thus a clause in a contract, limiting the carriers' liability for negligence on a bill of lading, would not be enforced in the UK as the Rules specifically stated that such a clause "shall be null and void and of no effect." Another clause, specifying Amsterdam as the place to hear any dispute between the parties was also unenforceable as the Netherlands had not ratified the Hague-Visby Rules at the time when the bill of lading was issued.

*

Scandinavian Trading Tanker Co AG v Flota Petrolera Ecutoriana (FT, December 1).

A time charter was a commercial transaction entered into by commercial organisations acting at arm's length, Lord Justice Goff said in the Court of Appeal. The court refused to extend the equitable jurisdiction of relief against forfeiture of leases to relieve the defendant charterers from the consequences of the shipowners' withdrawal of their vessel. The charterers had failed to pay a month's hire at a time when the market was rising. The judge said that the object of achieving certainty in commercial transactions was not compatible with the kind of equitable intervention for which the charterers asked.

The digest of cases reported in the Michaelmas Term will be concluded on Friday.

By Aviva Golden

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1 3 St Paul's Churchyard EC4P 4DX 01 236 1833

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01 638 0478 0479 or 01 588 2777

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU 01-245 9321

Henderson Administration (a) (b) (c)
Premier UT Admin., 5, Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St Mary Axe, EC3A 8BP. 01-623 6114

National Westminster (a)
161, Cheapside, EC2V 6EU. 01 726 1999

Save & Prosper—continued

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol 0272 732241

INSURANCES

[illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71 Lombard St. EC3 01 623 1288

Black Horse Man. Fd.		211.97		
Managed Inv. Fd.	134.63	152.25		
Property Fd.	144.07	151.59		
Fixed Interest Fd.	134.31	141.38		
Gen Fd.	129.93	136.77		
Income Fd.	136.87	144.08		
Extra Income Fd.	128.55	135.32		
Worldwide Growth Fd.	175.31	184.54		
Balanced Fd.	153.38	161.25		—
Sml. Co's & Recv. Fd.	157.86	166.17		—
Int. Technology Fd.	196.02	206.34		—
Nth. Amer. & Gen. Fd.	127.42	134.13		—
Energy Int. Fd.	83.24	87.63		—
Pacific Basin Fund	105.24	110.78		—

British National Life Assurance Co. Ltd.
British National Hse., Haywards Heath 0444 414111

Equity	95.0	100.0		—
International	95.0	100.0		—
Property	95.0	100.0		—
Deposit	95.0	100.0		—
Fixed Interest	95.0	100.0		—
Managed	95.0	100.0		—
Equity Pens Cap	95.0	100.0		—
Property Pens Cap	95.0	100.0		—
Deposit Pens Cap	95.0	100.0		—
Fixed Int Pens Cap	95.0	100.0		—
Managed Pens Cap	95.0	100.0		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Dec. 1		83.2	+1.8	—
Rtmt. Fed. Dec 6		397.3		—
Managed Pen Fund	160.2	168.6		—
Property Pen Fund	111.1	116.9		—
Index Lnkd Pen Fund	114.3	120.3		—
Managed	104.9	110.5	+0.1	—
Property	97.6	102.8		—
Gilt and Fixed Interest	98.1	103.3	+0.3	—
Index-Linked	100.4	105.7		—
Equity	104.3	109.8	−0.1	—
Cash	96.5	101.6		—
Midland Bk. Unit Tst.	102.0	107.4	+1.3	—
Midland Bank Intnl.	112.2	118.2	−0.4	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		214.4		
Portfolio Fd. Init.		183.3		
Portfolio Fd. Cap.		208.1		
Portfolio Man. Acc.	65.4	68.8		
Portfolio Man. Init.	58.3	61.4		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01 377 1122

Flexible Finance		1,425		—
Landbank Secs.		64.05		—
Landbank Sec. Acc.	173.3	177.8		—
G. & S. Super Fd.		£10.734		—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	298.6	311.0		—

GRE Linked Assurance Limited

Managed Initial	178.6	188.0	−0.3	—
Do. Accum.	194.8	205.1	−0.3	—
Equity Initial	224.9	236.7	−0.4	—
Do. Accum.	245.3	258.2	−0.3	—
Fixed Int. Initial	178.5	187.9	−1.6	—
Do. Accum.	194.7	204.9	−1.8	—
International Initial	162.7	177.3	+0.1	—
Do. Accum.	177.5	186.8	−0.4	—
Property Initial	121.2	127.6		—
Do. Accum.	132.2	139.2		—
Deposit Initial	119.2	125.5		—
Do. Accum.	130.0	136.8		—

GRE Pensions Management Ltd.

Pens. Managed Initial	173.3	182.4		—
Pens. Managed Acc.	184.7	194.6		—
Pens. Equity Initial	200.0	210.5	−0.4	—
Pens. Equity Acc.	213.2	224.4	−0.4	—
Pens. Fxd. Int. Initial	176.8	186.1	−1.2	—
Pens. Fixed Int. Acc.	188.5	198.4	−1.2	—
Pens. Int'l Initial	151.6	159.6	−5.1	—
Pens. Int'l. Acc.	161.6	170.1	−5.4	—
Pens. Prop. Initial	121.0	127.4		—
Pens. Prop. Acc.	129.0	135.8		—
Pens. Depos. Initial	129.2	136.0		—
Pens. Depos. Acc.	137.7	144.9		—

Hambro Life Assurance P.L.C.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth. Fd.	$11.07	—	−0.03	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas, IoM 0624 25015

Wren Com. Fund	30.9	32.2		3.10
Chinese Fund	56.5	58.8		1.70
Precious Metal Fund	141.1	146.7		8.30
Vanguard Cmdy. Fd.	40.7	41.7		2.26
Financial Futures Fd.	131.1	136.4		—
Wren Intl. Fnd.*	$0.844	0.879		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ⊕ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 11/16	91	Exch 3pc 1983	99 11/16	+ 1/16	3.03	9.87
101¾	95¼	Treasury 12pc 1983‡‡	100⅜		11.96	10.04
100⅝	92⅞	Treasury 9¼pc '83	99 15/16xd	+ 1/16	9.28	9.97
104⅝	96⅛	Exch 13½pc '83	102 11/16		13.15	10.17
101¼	91⅞	Exch 10pc 1983	99 13/16	+ 1/16	10.01	9.96
98¼	87⅝	Funding 5½pc 82-84‡‡	97xd	+ ⅛	5.67	8.62
103¼	91⅞	Exch 11¼pc 1984	100 13/16	+ 1/16	11.14	10.25
107¼	96¼	Exchequer 14pc 1984	104⅜	+ 1/16	13.41	10.50
94½	81⅛	Exch 3pc 1984	93¼	+ ⅛	3.22	8.01
105¼	91½	Treasury 12pc 1984	102⅜	+ ⅛	11.72	10.41
112	96¼	Treasury 15pc 1985	107⅝	+ ¼	13.94	10.83
112¼	89½	Exch. 12pc Cnv. '85	107	+ ¼	11.22	8.46
91½	73½	Treasury 3pc 1985	89½	+ ¼	3.35	7.94
105½	87½	Treasury 11½pc 1985	102 5/16	+ 1/16	11.24	10.46
61¼	57½	Treas 8pc Cn85(£60pd)	59⅝	+ ⅛	8.73	8.68
107⅝	88⅝	Exch. 12¼pc 1985	103⅝	+ 1/16	11.85	10.83
106⅝	86⅛	Exch. 11¾pc '86	102 5/16	+ ⅛	11.49	10.82
89½	69	Treasury 3pc 1986	87½	+ ⅛	3.43	7.24
107¼	86¾	Treasury 12pc '86	103 5/16	+ ⅜	11.62	10.81
100	80⅛	Treasury 8¼pc '84-86‡‡	97½xd	+ ¼	8.72	9.37
116¼	96⅝	Treas. 12¼pc '86 Cnv.	109⅞xd	+ ¼	11.15	8.94
114	91⅞	Exch 14pc 1986	109 5/16	+ 1/16	12.78	10.84
112	90	Exch 13¼pc 1987	107¾xd	+ ½	12.30	10.84
—	—	*Exchequer 2½pc 1987*	£84	..	2.98	7.03
103½	97	Exch. 10½pc 1987	100 1/16	+ 1/16	10.49	10.45
93⅛	73⅞	Funding 6½pc '85-87‡‡	93⅛	+ ⅛	6.98	8.43
85¼	64½	Treasury 3pc 1987	84½xd	+ ⅛	3.55	7.07
109	85⅝	Treas. 12pc 1987	104 1/16	– 1/16	11.51	10.85
		Five to Fifteen Years				
98	72½	Treasury 7¾pc '85-88‡‡	93¾xd	+ ⅛	8.27	9.61
102¼	95¼	Exch 10½pc '88	99¼	+ ⅛	10.77	10.98
81	60⅛	Transport 3pc '78-88	79½xd	+ ¼	3.79	7.69
62¼	55⅝	Treas 9½pc '88 (£60pd)	59	+ ¼	10.07	10.84
107⅞	79⅞	Treasury 11½pc 1989	104⅝	+ ½	11.46	11.40
85⅝	62½	Treasury 5pc '86-89	83¼	+ ¼	6.09	8.46
117¼	85⅞	Treasury 13pc 1990‡‡	107¼xd	+ ⅛	12.03	11.30
112	85⅝	Exch. 12½pc 1990	108¼	+ ⅜	11.69	11.43
98⅛	70⅛	Treasury 8¼pc '87-90‡‡	90⅞	+ ¼	9.18	10.22
110¼	77⅞	Treasury 11¾pc 1991	101¾xd	+ ½	11.53	11.38
84⅞	59¼	Funding 5¾pc '87-91‡‡	83	+ ¼	7.05	8.96
104⅛	76⅛	Exch. 11pc 1991	100¼	+ ⅛	11.16	11.25
116⅞	81⅞	Treasury 12¾pc '92‡‡	107¼xd	+ ¼	11.82	11.35
102¼	70	Treasury 10pc 1992	98¼	+ ½	10.53	10.86
112¾	80⅞	Exch. 12¼pc '92	108¼	+ ¼	11.75	11.49
118¼	88⅝	Exchequer 13½pc '92	115⅛	+ ½	12.14	11.53
116½	80⅝	Treasury 12½pc '93‡‡	106½xd	+ ¼	11.70	11.38
81½	56¼	Funding 6pc 1993‡‡	79⅛	+ ¼	7.74	9.37
124⅝	88	Treasury 13¾pc 1993‡‡	115¼	+ ⅜	12.05	11.44
128¼	91⅝	Treasury 14½pc '94‡‡	124	+ ⅛	12.19	11.44
119¼	86¾	Exchequer 13½pc 1994	114⅝	+ ½	12.05	11.55
115½	80½	Exch. 12½pc 1994	111⅛	+ ⅛	11.74	11.47
96⅛	66¾	Treasury 9pc '94‡‡	92¼	+ ⅜	9.89	11.32
113¼	76½	Treasury 12pc '95	103⅝xd	+ ⅛	11.57	11.35
66¾	42⅞	Gas 3pc '90/95	64¼	+ ½	4.67	7.50
103¼	68½	Exch 10¼pc 1995	94¾xd	+ ½	10.81	11.03
116⅜	83¼	Treasury 12¾pc '95‡‡	111¼	+ ½	11.59	11.26
127¾	86¼	Treas. 14pc '96	116¼xd	+ ½	11.92	11.41
97	66⅝	Treasury 9pc '92/96‡‡	92¾	+ ⅝	10.00	10.41
133	96	Treasury 15¼pc '96‡‡	128½	+ ½	12.12	11.42
120	86	Exchequer 13¼pc '96‡‡	116	+ ⅝	11.61	11.18
63¾	43⅞	Redemption 3pc 1986-96	61¼	+ ¼	4.92	7.64
124	83½	Treasury 13¼pc '97‡‡	113¼xd	+ ⅛	11.59	11.20
105⅛	69⅝	Exchequer 10½pc 1997	100½	+ ¼	10.87	10.97
94⅛	64	Treasury 8¾pc 1997‡‡	90¼	+ ⅜	10.03	10.47
132¼	94¼	Exch. 15pc 1997	127⅜	+ ½	12.05	11.50
		Over Fifteen Years				
79⅛	54½	Treasury 6¾pc '95-98‡‡	75½	+ ⅜	9.09	10.08
138¼	99½	Treas. 15½pc '98‡‡	133½	+ ½	11.98	11.42
116⅝	78¼	Exch. 12pc 1998	108	+ ½	11.27	11.11
100⅝	66	Treasury 9½pc 1999‡‡	92¼xd	+ ⅜	10.27	10.48
116	81¼	Exch. 12¼pc 1999	111⅞	+ ½	11.29	11.11
107	71⅛	Treasury 10½pc 1999	98⅝	+ ¼	10.79	10.86
124¼	82¼	Treas. 13pc 2000	113½xd	+ ⅜	11.42	11.19
131	89	Treas. 14pc '98-01	121	+ ⅜	11.73	11.32
116½	76½	Exch. 12pc '99-02	106⅝xd	+ ⅜	11.20	11.06
129½	85⅞	Treas 13¾pc 2000-03	118¼xd	+ ⅛	11.55	11.26
113¼	78¼	Treasury 11½pc '01-04	108½	+ ⅛	10.94	10.85
50¼	33¼	Funding 3½pc '99-04	47xd	+ ¼	7.43	9.19
123⅛	81⅝	Treasury 12½pc '03-05	113¼	+ ⅛	11.14	10.99
87¼	59¼	Treasury 8pc '02-06‡‡	83¼	+ ⅜	9.85	10.09
116⅜	75⅞	Treasury 11¾pc 03-07	106⅝xd	+ ½	10.96	10.87
128½	90	Treas. 13½pc '04-08	123⅝	+ ½	11.26	11.05
64	44⅛	Treasury 5½pc '08-12‡‡	61⅛	+ ⅜	9.27	9.69
85½	55⅝	Treasury 7¾pc '12-15‡‡	77¾xd	+ ⅛	9.91	10.04
124	81⅛	Exch. 12pc '13-'17	113½	+ ½	10.65	10.59
		Undated				
42¾	27¾	Consols 4pc	37¾xd		10.51	—
37¼	26⅞	War Loan 3½pc‡‡	34¼	...	10.32	—
42	31½	Conv. 3½pc '61 Aft.	39¼	....	9.01	—
32¼	21	Treasury 3pc 66 Aft.	30¼	+ ⅛	10.00	—
27	17¼	Consols 2½pc	24½xd	+ ⅛	10.20	—
26⅞	17⅝	Treasury 2½pc	24¼	+ ⅛	10.42	—
		Index-Linked & Variable Rate				
100⅜	99⅜	Treas. Variable '83	100 1/16	...	10.44 (1)	10.17 (2)
104⅞	95	Treas. 2pc I.L. '88	104⅝	...	1.91	2.26
108¼	93	Do. 2pc I.L. '96	107¼	+ ¼	2.60	2.74
100¼	93¾	Do. 2½pc I.L. 2001	99½	+ ¼	2.58	2.69
98⅝	95½	Do. 2½pc I.L. 2003	97½	+ ¼	2.63	2.74
104½	86⅜	Do. 2pc I.L. 2006	102¼xd	+ ¼	2.50	2.59
99½	96	Do. 2½pc I.L. 2009	98¼	+ ¼	2.57	2.66
106½	90	Do. 2½pc I.L. 2011	105¼	+ ¼	2.53	2.60

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

High	Low	Stock	Price £	+ or –	Int.	Red.
116¼	99¼	Australia 13½pc 2010	107xd	+ ¼	12.98	12.95
108¼	92¾	Finland 14½pc Ln 1986	106¼	.....	13.58	11.97
109	90¼	Int. Bank 13½pc 1986	106¾	...	12.65	11.01
111½	97	Do. 14pc Ln 1987	107½	+ ¼	13.02	11.70
101¼	80	Mex 16½pc 2008	85½	.	20.38	22.47
112½	98½	N.Z. 14¼pc 1987	107½	....	13.26	12.03
107½	90¼	Sweden 13½pc 1986	105	...	12.86	11.55

CORPORATION LOANS

High	Low	Stock	Price £	+ or –	Int.	Red.
102½	85	Bath 11¾pc 1985	99	...	11.39	11.64
104⅞	89¼	Birm'ham 12½pc 1985	101¾	..	12.28	11.62
108⅞	87	Burnley 13pc 1987	104	....	12.40	11.70
101¼	81¼	Cardiff 11pc 1986	97¾	.....	11.25	11.72
104¼	94⅝	G.L.C. 13¼pc 1984	102½	......	12.93	10.80
81¼	53¼	Do. 6¾pc 90-92	76¼	.....	9.13	11.41
89	67½	Herts 6½pc 1985-87	85	.....	7.94	10.95
114¼	85	Leeds 13½pc 2006	111¼	+ ½	12.56	12.32
100⅜	87½	Liverpool 9¼pc '80-84	98¼	.	9.88	10.73
31½	21½	Do. 3½pc Irred.	30	....	11.78	—
104⅝	95½	Lon. Corp. 13¼pc '83	101⅞	..	12.93	10.98
99¼	82¼	Do 9¼pc '84-85	96¾	...	9.56	10.61
93⅞	78¼	LCC 5½pc '82-84	92¾	....	5.91	10.45
84⅞	64¼	Do 5½pc '85-87	81¼	..	6.70	10.73
87	56	Do 6¾pc '88-90	79	.	8.50	10.81
26¼	19½	Do. 3pc '20 Aft.	25½	.	12.01	—
104½	90¼	Sunderland 12¼pc 1984	102xd	..	12.01	11.05

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or –	Int.	Red.
99⅞	85¼	Aust 6pc 1981-83	97½xd	+ ¼	6.18	9.18
83¼	57	N.Z. 7¼pc 1988-92	78½xd	+ ¼	9.21	10.89
93½	74¼	Do 7½pc '83-86	89½xd	+ ½	8.39	11.26
167	136	S. Rhod. 2½pc Non-Ass.	163	...	—	—
80	58	Do. 3½pc 80-85 Assd.	80	..	12.04	11.19
55	32	Do 4½pc 87-92 Assd	54	.	8.59	13.80
402	318	Zimbabwe Ann (£100pd)	390	..	—	15.73

LOANS

Public Board and Ind.

High	Low	Stock	Price £	+ or –	Int.	Red.
77	57¼	Agric. Mt 5pc '59-89	73xd	+ ½	6.83	10.84
38	24¼	Met. Wtr. 3pc 'B'	34¼	.	8.87	11.47

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
64	$15\frac{1}{2}$	Inter-City 20p	36	+1	—	—	—	—
197	159	[illegible]	168		↑4.0	1.8	3.4	23.5
210	145	Jacksons Bourne	208xd		5.0	3.1	3.4	13.5
32	21	[illegible] 10p	22	−1	1.25	1.9	8.1	9.2
180	105	Jardine M. SHK6	123		↑Q92c	2.3	6.4	6.3
48	13	Jenks & Cattell	21	+2	21.0	—	6.8	—
306	187	Johnson Clnrs.	306	+1	↑17.7	2.3	3.6	17.0
295	227	Johnson Mthy. £1	293		10.0	1.9	4.9	(12.8)
238	98	Johnston Grp. 10p	232	+4	4.0	6.2	2.5	9.2
87	64	Jourdan (T.) 10p	87		5.25	0.6	8.6	(30.0)
48	35	Kalamazoo 10p	40	+1	2.5	0.9	9.3	17.2
170	135	Kelsey Inds.	140xd		8.0	ϕ	8.2	ϕ
208	138	Kennedy Sm. 10p	208		↑5.5	2.9	3.8	13.2
310	130	Kershaw (A.) 5p	130		21.75	0.5	23.9	(20.1)
95	36	Kleen-E-Ze Hldgs.	39		t3.0	0.2	11.0	—
68	44	L.C.P. Hlds.	57		3.6	0.6	9.0	(32.5)
103	$39\frac{1}{2}$	L.R.C. Int. 10p	103		t3.1	2.0	4.3	17.2
46	27	Lawtex	30		—	—	—	—
440	277	Lep Group 10p	370xd		17.5	1.7	6.8	(10.0)
37	22	Lilleshall 10p	22	−1	‡2.5	—	‡	—
410	39	Lon. & Liv. 10p	345	+5	↑2.46	2.4	1.0	50.2
116	78	London & Midl'd	102		7.75	1.1	10.9	(12.2)
$62\frac{1}{2}$	36	Lon. & Nthn. Grp.	57		†3.75	2.1	9.4	6.1
43	23	‡Lon. Prm. Health	38		—	—	—	19.0
10	$3\frac{1}{2}$	Long Hambly 10p	$8\frac{1}{2}$		8—	—	—	—
56	36	Longton Inds.	56		1.0	—	2.6	—
72	33	Lonsdale Univrsl.	65		↑1.0	0.9	2.2	(7.3)
195	55	Low & Bonar 50p	70		†7.0	0.6	14.3	(23.7)
$27\frac{1}{2}$	14	M.Y. Dart. 10p	17		‡d1.21	—	‡	—
242	105	M'c'rthy Pn. 20p	207		7.0	2.0	4.8	9.6
130	48	Macfarlane Gp.	130		↑r3.2	2.5	3.5	14.8
49	28	Macllellan 20p	45	−1	d1.63	1.4	4.5	(19.0)
86	40	Macpherson (D.)	51		4.2	1.5	11.8	7.4
62	45	Magnolia Group	46		2.3	3.9	7.1	4.7
108	57	Man. Ship Can. £1	70	+5	8—	—	—	—
51	35	Marley	48		2.25	1.5	6.7	(12.8)
51	29	Marling Ind. 10p	$30\frac{1}{2}$		1.08	6.7	5.1	3.1
49	28	Marshall L'xy. 'A'	29		2.8	1.9	13.8	(4.6)
88	64	Marshall's Univ	68		0.1	—	0.2	—
37	$21\frac{1}{2}$	Martin-Black	24		—	—	—	—

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
151	$40\frac{1}{2}$	Intasun 10p	91xd	−2	3.5	4.8	5.5	4.6
182	112	LWT "A"	141		11.08	1.7	11.2	11.3
190	116	‡Leisure Inds.	190	+3	↑6.0	3.0	4.5	9.0
108	64	Leisuretime Int 10p	107	+1	0.9	2.8	1.2	36.6
130	80	Mecca Ag. ‡ 10p	112xd		8.75	ϕ	11.2	ϕ
67	55	Medminster 10p	56		4.0	0.8	10.2	17.6
275	105	‡Nimslo Int 20c	116	−12	—	—	—	—
185	33	Norton & Wrt. 10p	75		↑d2.0	0.5	3.8	—
28	14	‡Owners Abroad	$23\frac{3}{4}$		↑0.35	4.6	2.1	14.7
65	46	Photax (Lon.)	47		†3.5	3.8	‡	3.0
465	149	Pleasurama 5p	465	+7	↑td4.75	5.2	1.5	18.8
113	88	‡Radio City 'A' NV	113xd		g5.6	ϕ	7.1	ϕ
141	$82\frac{1}{2}$	Riley Leisure 10p	138		24.1	1.7	4.2	19.9
179	84	Saga Hols. 20p	84		d3.73	—	6.3	—
440	125	Samuelson 20p	345		M12.0	ϕ	5.1	ϕ
107	76	Scott. TV 'A' 10p	98		†7.0	3.8	10.2	3.6
43	21	‡SelecTV 10p	28		—	—	—	—
18	13	TSW 5p	16		0.9	3.9	8.0	5.4
52	28	‡TVS N. Vtg 10p	30		—	—	—	—
100	55	Trid'nt TV 'A' 10p	65	+1	4.26	2.1	9.4	6.6
215	92	21st Century Dnt. Dse.	180		—	—	—	—
$27\frac{1}{2}$	$16\frac{1}{2}$	Webb (Jos.) 5p	$16\frac{1}{2}$		d0.51	2.2	4.4	(11.8)
93	69	Zetters 5p	81	+2	2.75	2.8	4.8	10.5

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
20	12	B.L. 50p	20	+1	—	—	—	—
49	38	‡Coleman Motor 10p	49		d1.5	3.2	4.4	(7.9)
190	93	Gen. Mts. Units	190		Q72c	—	4.0	—
267	133	Honda Motor Y50	267	+5	Q10%	8.4	0.4	28.0
32	14	Lotus Car 10p	27	+1	—	—	—	—
15	7	‡Reliant Motor 5p	15		—	—	—	ϕ
£$23\frac{1}{2}$	£$12\frac{1}{2}$	Volvo Kr50	£$22\frac{1}{4}$		↑Q18%	3.2	3.3	9.4

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

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REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

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FOREIGN EXCHANGES

Dollar and sterling lose ground

The dollar fell to an 11-month low aganist the Japanese yen yesterday as selling developed ahead of an expected fall in U.S. interest rates. The U.S. unit was also at its lowest level since June last year in terms of the D-mark.

Sterling lost ground on oil price fears and growing uncertainty in the longer term over the prospect of a General Election.

DOLLAR — Trade weighted index (Bank of England) 117.2 against 121.0 six months ago. A change of emphasis towards fundamentals such as rising trade and budget deficits has pushed the dollar down recently. High interest rates had previously kept the U.S. unit firm but the Federal Reserve discount rate and bank prime rates are now following a downward path—The dollar closed at DM 2.3610 against the D-mark, down from DM 2.3775 and SwFr 1.9850 from SwFr 2.0075. It was also lower against the Japanese yen at Y229.15 from Y234.80 and FFr 6.6910 compared with FFr 6.7350.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5837. December average 1.6176. Trade weighted index 83.8 against 83.9 at noon, 84.1 at the opening and compared with 84.3 on Friday and 91.3 six months ago. Sterling remains weak against Continental currencies and the yen on fears of a worsening balance of payments and lower world oil prices. Higher London interest rates and the general weakness of the dollar have helped the pound recover from near an all time low against the U.S. unit however — Sterling opened at $1.6260 against the dollar and touched a best level of $1.6300 before slipping back to $1.6215. It closed at $1.6240-1.6250, a rise of 70 points. It was lower against the D-mark however at DM 3.8350 from DM 3.8450 and SwFr 3.2250 from SwFr 3.2450. It fell against the French franc to FFr 10.8687½ from FFr 10.8850 and Y372.25 from Y380.

D-MARK—Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. December average 2.4225 Trade weighted index 128.8 against 124.8 six months ago. The D-mark is strong, helped by an improving balance of payments position and confidence in the Government's economic policy. It has benefited recently from the weakness of the dollar and sterling—The D-mark was stronger against sterling and the U.S. dollar at yesterday's fixing in Frankfurt but was mostly weaker against its EMS partners. The dollar was fixed at DM 2.3555 from DM 2.3740, its lowest level since May last year. Sterling fell to DM 3.8320 from DM 3.8480. Elsewhere the Belgian franc improved to DM 5.0860 per BFr 100 from DM 5.0830 and the French franc to DM 35.28 from DM 35.27 per FFr 100.

JAPANESE YEN — Trading range against the dollar in 1982-83 is 277.35 to 219.00. December average 242.41. Trade weighted index 147.7 against 132.2 six months ago. The yen has improved against the dollar recently on the attraction of Japanese capital and equity markets. High foreign interest rates had previously led to an outflow of funds—The yen rose sharply in Tokyo yesterday, closing at its best level for 11 months against the dollar. Expectations of lower U.S. interest rates, particularly a cut in the discount rate, generated renewed interest in the yen. The dollar closed at Y229.75, down from the day's high of Y230.40 and Y230.50 in New York on Monday. A further improvement in the yen could be slowed if the authorities acted as most of the market now expects and cuts the Japanese discount rate from its current level of 5.5 per cent. However any effect that such a reduction might have could be offset by further downward moves in U.S. rates.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.2386	+0.60	+1.50	±1.5501
Danish Krona ...	8.23400	8.11409	−1.46	−0.56	±1.6430
German D-Mark	2.33379	2.30103	−1.40	−0.50	±1.0888
French Franc ...	6.61387	6.52152	−1.40	−0.50	±1.3940
Dutch Guilder ...	2.57971	2.54333	−1.41	−0.51	±1.5004
Irish Punt	0.691011	0.693559	+0.37	+1.27	±1.6691
Italian Lira	1350.27	1325.66	−1.82	−1.45	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Jan. 4	£	$		£ Note Rates
Argentina Peso...	79,288-79,328	48,780-48,830	Austria...	26.85-27.15
AustraliaDollar...	1.6455-1.6475	1.0145-1.0150	Belgium...	77.80-78.80
Brazil Cruzeiro..	409.06-410.06	251.41-252.67	Denmark...	13.49-13.63
Finland Markka...	8.5115-8.5325	5.2560-5.2580	France...	10.81-10.91
Greek Drachma...	111.928-115.355	70.30-70.60	Germany...	3.81½-3.85½
Hong Kong Dollar	10.59-10.61	6.5225-6.5300	Italy...	2165-2245
IranRial...	134.75*	83.25*	Japan...	372-377
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Selling rates.

CURRENCY MOVEMENTS

Jan. 4	Bank of England Index	Morgan Guaranty Changes%
[illegible]	[illegible]	[illegible]

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 4	Bank rate %	Special Drawing Rights	European Currency Unit
[illegible]	[illegible]	[illegible]	[illegible]

THE POUND SPOT AND FORWARD

Jan. 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 78.40-78.50. Six-month forward dollar 0.81-0.76c pm, 12-month 1.20-1.05c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 46.20-46.30.

EXCHANGE CROSS RATES

Jan. 4	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.625	3.835	372.3	10.869	3.225	4.240	2318.	1.999	78.41
U.S. Dollar	0.616	1.	2.361	229.1	6.691	1.985	2.610	1866.	1.230	46.43
Deutschemark	0.261	0.424	1.	97.07	2.834	0.841	1.106	576.8	0.521	19.66
Japanese Yen 1,000	2.686	4.364	10.30	1000.	29.20	8.664	11.39	5942.	5.369	202.6
French Franc 10	0.920	1.495	3.528	342.5	10.	2.967	3.901	2055.	1.839	69.38
Swiss Franc	0.310	0.504	1.189	115.4	3.370	1.	1.315	692.9	0.620	23.38
Dutch Guilder	0.236	0.383	0.904	87.78	2.563	0.761	1.	521.7	0.471	17.79
Italian Lira 1,000	0.452	0.734	1.734	168.3	4.914	1.458	1.917	1000.	0.903	34.09
Canadian Dollar	0.500	0.813	1.919	186.3	5.438	1.614	2.122	1107.	1.	37.73
Belgian Franc 100	1.326	2.154	5.086	493.6	14.41	4.277	5.623	2933.	2.650	100.

FINANCIAL FUTURES

Quiet trading

Trading began on a quiet note on the first full day of the New Year in the London International Financial Futures Exchange yesterday. Most of the day's volume was seen in the Eurodollar sector with some 1,541 lots being traded. Prices opened higher after a firmer trend in Chicago on Monday and showed little reaction to the slightly disappointing U.S. money supply figures with the market still looking for further reductions in U.S. rates. However, prices retreated later in the day as Chicago failed to take up the firmer trend. There was possibly still a little apprehension as Federal funds remained around Monday's closing level of 9¼ per cent and it seems likely that the distortions brought about by end of year technicalities may take a further day or two to unwind.

The March Euro-dollar contract opened at 91.15 up from 90.94 on Friday but fell back later in the day to finish close to the day's low at 91.03.

Short sterling prices also opened firmer, with the March price up at 90.46 from 90.38 as rates eased in the cash market. However, there was a distinct lack of follow-through and prices were confined to a narrow range. As with the Gilt sector, the performance of sterling has been of overriding importance and with the latter described as hesitant at best, there was little incentive to move forward especially with the pound undermined at the moment by oil price worries and a growing awareness of the possibility of an early General Election. Gilt prices were marked firmer with low volume seen in the futures and cash market, but eased from the day's highs later in the day.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	91.03	91.15	91.02	90.94
June	90.63	90.78	90.63	90.56
Sept	90.35	90.47	90.35	90.28
Dec	89.95	89.95	89.95	89.76
March	89.51	89.51	89.51	89.40

Volume 1,541 (386)
Previous day's open int. 2,084 (2,119)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

20-YEAR 12% NATIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STERLING £25,000 $ per £

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4381	0.4390	4.4379	0.4283
June	0.4385	0.4389	0.4389	0.4287

Volume 39 (23)
Previous day's open int. 103 (103)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	77-00	77-15	76-26	77-21
June	76-13	76-27	76-08	77-00
Sept	75-30	76-10	75-24	76-14
Dec	75-18	75-26	75-11	75-31
March	75-06	75-15	75-06	75-21
June	74-28	75-08	74-28	75-13
Sept	74-21	75-01	74-21	75-06
Dec	74-15	74-27	74-15	75-00
March	—	—	—	74-27
June	—	—	—	72-23

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

3-MTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STERLING (IMM) Se per £

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	70.00
[illegible]	[illegible]	[illegible]	[illegible]	68.11
[illegible]	[illegible]	[illegible]	[illegible]	68.30
[illegible]	[illegible]	[illegible]	[illegible]	68.19
March	67.31	68.02	67.31	68.08
June	67.25	67.25	67.23	68.00
Sept	—	67.19	67.17	67.25
Dec	67.19	67.19	67.12	67.21
March	—	—	—	67.17
June	67.07	67.07	67.07	67.14
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

UK rates slightly easier

UK-clearing bank base lending rate 10-10½ per cent (since November 29 and 30)

United Kingdom rates were slightly easier where changed yesterday, gaining some comfort from a weaker trend in U.S. interest rates. Three-month interbank money slipped to 10⅜-10½ per cent from 10½-10⅝ per cent and the six-month to 10¼-10$\frac{7}{16}$ per cent from 10$\frac{5}{16}$-10½ per cent. Overnight money opened at 10⅜-10½ per cent and eased to 9½-10 per cent before coming back to 10-10½ per cent. Further assistance by the authorities saw rates fall to 9-10 per cent before turning firmer towards the close to 10½-11 per cent.

The Bank forecast a shortage of around £550m, later revised to £600m, with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills −£738m and Exchequer transactions −£40m. These were partly offset by a fall in the note circulation of £300m. The Bank gave assistance in the morning of £528m, buying £38m of Treasury bills, £26m of local authority bills and £88m of eligible bank bills in band 1 (up to 14 days) and in band 2 (15-33 days) £4m of local authority bills and £347m of eligible bank bills.

The revised shortage of £600m was without taking into account the morning help and the Bank gave further assistance of £137m, making a grand total of £665m.

In Frankfurt money market rates were mostly easier following a net injection of some DM 500m into the system. This was due to the introduction by the authorities of a 28-day securities repurchase agreement worth DM 9.6bn at 5.9 per cent, replacing a maturing agreement of only DM 9.1bn.

LONDON MONEY RATES

Jan. 4 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ϕ	Eligible Bank Bills ϕ	Fine Trade Bills ϕ
Overnight	—	9-11	—	—	—	10¼-10¾	10-10¼	—	—	—
2 days notice	—	—	10⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	10⅝-10⅞	—	—	—	—
7 days notice	—	10⅜-10¾	10⅝	—	—	10½-10⅞	10-10⅛	—	—	—
One month	10⅝-10½	10½-10⅝	10½	11⅛-11	10½	10¾	10	10-10$\frac{1}{32}$	10$\frac{1}{16}$	10$\frac{11}{16}$
Two months	10½-10$\frac{7}{16}$	10$\frac{7}{16}$-10$\frac{5}{16}$	10$\frac{7}{16}$	11¼-10⅞	10½	10¾	9⅞	10	10	10⅝
Three months	10$\frac{7}{16}$-10$\frac{5}{16}$	10⅜-10½	10⅜-10$\frac{7}{16}$	11-10⅝	10⅜	—	9¾	9⅞	9$\frac{29}{32}$	10$\frac{11}{16}$
Six months	10$\frac{5}{16}$-10	10¼-10$\frac{7}{16}$	10¼-10⅜	10⅛-9¾	10⅝	—	—	—	9$\frac{27}{32}$-9¾	10$\frac{1}{32}$
Nine months	10$\frac{3}{16}$-10	10¼-10$\frac{7}{16}$	—	10⅝-10¼	10⅜	—	—	—	—	—
One year	10$\frac{1}{16}$-10	10¼-10$\frac{7}{16}$	10¼	10⅛-10⅛	10⅜	—	—	—	—	—
Two years	—	—	10⅝-10⅞	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.833 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞-11⅛ per cent; four years 11-11⅛ per cent; five years 11¼-11⅜ per cent. ϕBank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 9$\frac{27}{32}$-9⅞ per cent; four month trade bills 10$\frac{15}{32}$ per cent.

Approximate selling rate for one month Treasury bills 9⅞ per cent: two months 9¾ per cent and three months 9⅝ per cent. Approximate selling rate for one month bank bills 10 per cent; two months 9$\frac{15}{16}$ per cent and three months 9$\frac{27}{32}$-9⅞ per cent; trade bills 10$\frac{7}{16}$ per cent; two months 10⅜ per cent and three months 10$\frac{9}{32}$ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 10-10½ per cent. London Deposit Rates for sums at seven days' notice 6¾-7 per cent.

Treasury Bills: Average tender rates of discount 9.7204 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 10¾ per cent; one-three-month 10½ per cent; three-12-month 10½ per cent. Under £100,000 10¼ per cent from Decmeber 31. Deposits held under Series 3-5 10½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 4	Short term	7 days notice	Month	Three Months	Six months	One Year
Sterling	10⅜-10½	10½-10⅝	10½-10⅝	10⅜-10½	10⅜-10½	10$\frac{3}{16}$-10$\frac{5}{16}$
U.S. Dollar	9¼-9½	9⅛-9⅜	8$\frac{15}{16}$-9$\frac{1}{16}$	8$\frac{15}{16}$-9$\frac{1}{16}$	9⅛-9⅜	9$\frac{3}{16}$-9$\frac{5}{16}$
Can. Dollar	9¾-10¾	10-10½	10-10⅛	9¾-10	10⅛-10⅜	10⅛-10¼
D. Guilder	5-5⅛	5-5¼	5-5⅛	5-5⅛	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 4)

3 months U.S. dollars		6 months U.S. dollars	
bid 8 15/16	offer 9 1/16	bid 9 1/8	offer 9 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11-11½
Fed funds (lunch-time)	[illegible]
Treasury bills (13-week)	7.88
Treasury bills (26-week)	8.04

GERMANY

Lombard	6.0
Overnight rate	5.50
One month	6.125
Three months	5.975
Six months	5.874

FRANCE

Intervention rate	12.75
Overnight rate	12.875
One month	12.625
Three months	12.625
Six months	12.6875

JAPAN

Discount rate	5.5
Call (unconditional)	6.63125
Bill discount (3-months)	7.03125

SWITZERLAND

Discount rate	5
Overnight rate	[illegible]
One month	[illegible]
Three months	[illegible]

NETHERLANDS

Discount rate	5
Overnight rate	[illegible]
One month	[illegible]
Three months	[illegible]
Six months	[illegible]

$ CERTIFICATES OF DEPOSIT

One month	[illegible]
Two months	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

LONG TERM EURO $

Two years	[illegible]
Three years	[illegible]
Four years	[illegible]
Five years	[illegible]

SDR LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

ECU LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

CONTRACTS AND TENDERS

CONTRACTS AND TENDERS

COMPANY NOTICES